



ANNUAL REPORT 2012/13



the dti
Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



CEO REPORT

MIAA was established in 2011 as a nationally inclusive and representative association to unite the entire boating industry. Our vision of being relevant to our members, representing the boating industry on a national level and lobbying government for support and recognition of our sector's importance to the economy is the key driver behind our efforts in the year under review.

Establishing a national footprint for the Association has been hard but rewarding work and when I examine the member demographics regionally and by sub-sector, I am pleased with the representation. We continue to gain traction, with membership increasing every month and the sceptical and critical voices less vocal.

Our seed funder, SAMSA has enabled us to continue with our mandate and I would like to thank them for their vision and support in providing the operational funding needed. As budgets are cut and provincial governments re-align their strategic objectives, the support of a body like SAMSA is vital. It is through such partnerships that we can work together collectively to grow the maritime and boating sector and address the bottlenecks and challenges that hinder growth.

One of the milestone achievements for MIAA this year, has been the indefinite delay of the Ad Valorem tax on boats over 10 metres announced by Minister Gordhan in February last year. By lobbying with SARS and Treasury, MIAA has so far been able to hold back the negative impact of this legislation on manufacturers.

We continue to receive the support and assistance of the Department of Trade and Industry and our continued inclusion in the Industrial Policy Action Plans of the country is testimony to the Department's commitment to growing the boat building sector, both recreational and commercial.

Our engagement with regional Maritime Clusters in Ethekuni and Nelson Mandela Bay municipalities continues to be positive and maintaining open communication channels ensures better synergies. Maritime Clusters and Industry Associations globally carry different mandates, but in the South African tradition of "Ubuntu", our efforts are aligned in many respects.

There is still a lot of work to be done and the needs of the different sub-sectors and regions must be better understood and addressed. We will be working in the coming year on maintaining our member relevance and growing boating in South Africa.

Nothing is achieved in isolation and I would like to make special mention of the MIAA Board of Directors who continue to provide the strategic oversight for the Association and who give of their time freely in ensuring MIAA is the national voice for boating in South Africa. In particular I'd like to thank MIAA Chairman, Kevin Fouché and MIAA Vice Chairman, Mark Delany. Lastly, thank you to Kareemah Jacobs for being my right hand person and contributing so meaningfully in the short space of time you have been with MIAA.

Vanessa Davidson, CEO

CHAIRMAN'S REPORT

With just over a year having passed since the MIASA Board appointment on 12 March 2012, it certainly has been a jam-packed year with many positive achievements and goals being reached, however, so much still needs to be done in the months that lie ahead for all of us.

As we have read in our CEO's report many meaningful projects were embarked upon. I am confident to say that MIASA has become an association with much creditability and recognition within our industry and Government in a very short space of time.

Our membership has steadily increased over the months showing that the very people the association wishes to represent and grow are seeing value and benefits in belonging and being part of MIASA.

The next few months hold some very difficult and important challenges, as we all know, MIASA is largely Government

funded and subsidised with very stringent and time consuming reporting and correspondence needed to qualify and remain eligible. This has been carried out very diligently and professionally by our CEO, Vanessa. I would like to use this opportunity to thank her on behalf of the Board and myself.

I would also like to thank each and every member of the Board for their support and unselfish time offered for the good and prosperity of MIASA. To all our members, thank you for your support, let's encourage more players in our industry to join and make MIASA an even stronger and respected association; one we can be proud to be part of. We, as a Board, look forward to our second year at the helm of MIASA and will endeavour to do our best for all our members and the boating industry as a whole.

Kevin Fouché, MIASA Chairman
Knysna Yacht Company



MIASA statistics 2012/13

- 86 members
- Nearly 4000 employed by our members in industry
- 10 known member entities have BEE shareholding
- 13 member entities with shareholding by women

Corporate Governance

Section 21 NPO

Accountant: Accountability PA
Auditor: RSM Betty & Dickson
Company Secretariat: Axiom
Bank: ABSA Heerengracht

Board Representation

(Voted by members for a 2 year term)

Kevin Fouché	Yacht and Power Boat Builder >12m	Chairman
Mark Delany	Yacht and Power Boat Builder <12m	Vice Chairman
Greg Bennett	Distributors	
Tim van der Steene	Export (SABBEX Chairman)	
Phillip Kingman	Boat Dealers	
Richard Stubbs	Marine Equipment and Components	
Carl Krause	Trailerable Craft	
Vacant	Technical	
Vacant	Commercial Craft	
Hlubi Mzamo	SAMSA (non-voting)	
Claude Orgill	PGWC (non-voting)	
Fakazile Myeza	Ethekwini Maritime Cluster (non-voting)	

Management Committee

Kevin Fouché	Yacht and Power Boat Builder >12m	Chairman
Mark Delany	Yacht and Power Boat Builder <12m	Vice Chairman
Vanessa Davidson	MIASA	CEO

Skills Advisory Committee

Vanessa Davidson	MIASA	CEO
Nasir Solarie	MerSETA	CLO
Achmat Geyer	False Bay College	Programme Manager
Oliver Dawson	Composites Training Academy	Director
Elize Neethling	Southern Spars	HR Manager
James Cannell	Southern Wind Shipyard	Head: Assembly/Deck
Carlo Vizzi	City of Cape Town	Manager: Skills Development
Claude Orgill	PGWC	Trade & Sector Development
Zola Nkomo	NUMSA	Representative

Technical Committee

Vanessa Davidson	MIASA	CEO
Don Jarrett	Austral Marine	Director
Stan Walters	SASDAA	Technical
Mike Barnes	Mallards Marine	Director
Greg Bennett	Yamaha	General Manager
Grant Reid	FG Marine	Director
Mark Delany	Two Oceans Marine	Director
Phillip Kingma	Rutherfords Marine	Sales Manager

HIGHLIGHTS 2012/13

- **Boat building a priority sector** in the dti Industrial Policy Action Plan for 2012/13, with key focus programmes on import duties, industrial financing and infrastructure requirements
- Membership of the International Council of Marine Industry Association (ICOMIA) and the American Boating and Yachting Council (ABYC)
- ICOMIA Annual Congress hosted by MIASA in South Africa - **17 countries** represented and **92 delegates**
- MIASA chairs the South African Bureau of Standards Technical Committee 188
- MIASA board membership of the International Marine Certification Institute (IMCI) in Brussels
- Inbound Trade Mission from Angola, South Korea and Brazil with 29 local companies participating and **96 business to business meetings** conducted
- MIASA featured in 22 international magazines via ICOMIA
- ZAR 597,000 leveraged in media exposure for MIASA
- **ZAR 3.4M leveraged for Skills Development**
- **Boat Building registered as a trade** with Department of Higher Education and Training
- **75% permanent employment rate** for Boat Building Academy graduates
- 6 graduates enrolled for Westlawn International Yacht Design correspondence course
- MIASA jury member of the Blue Flag Beaches & Marinas committee in South Africa
- MIASA a member of the Plastics Chamber of the Manufacturing and Engineering Services Sector Education Training Authority (MerSETA) and a Regional Committee representative for the Western Cape
- MIASA a member of the Department of Transport **Small Craft Advisory Committee**
- MIASA proxy board representation in the Transport Education and Training Authority (TETA)
- International visitors and **principals hosted from eight countries**
- Participated in research into the economic potential of fishing harbours and harbour spatial frameworks, Standard Industrial Classification (SIC) codes, global competitiveness of the South African boat building industry and the potential **designation of Boat Building for South African Public Procurement**.
- **Objection lodged** with the South African Revenue Service (SARS), to the Ad Valorem tax on vessels over 10 metres and implementation date of 1 October 2012 was delayed.

NEW LAUNCHES



Veecraft Marine:
30m crew transfer vessel



Nexus Catamarans:
Nexus 600 adventure catamaran



Maverick Yachts:
Maverick 400 cruising catamaran



Nautic Africa:
30m patrol vessel



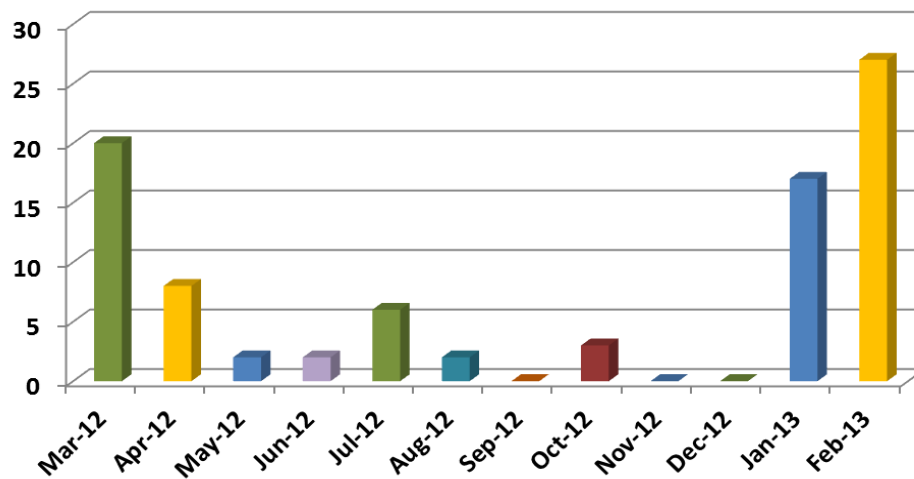
Two Oceans Marine Manufacturing:
Open Ocean 750 expedition catamaran



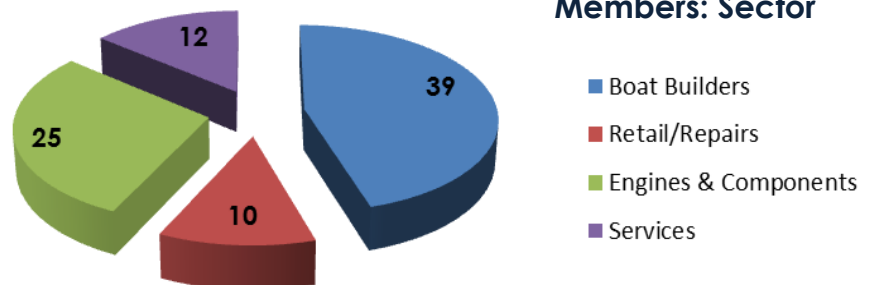
Jacobs Bros Boat Builders:
Custom built Simonis Voogd 49' fast cruiser

MEMBERSHIP

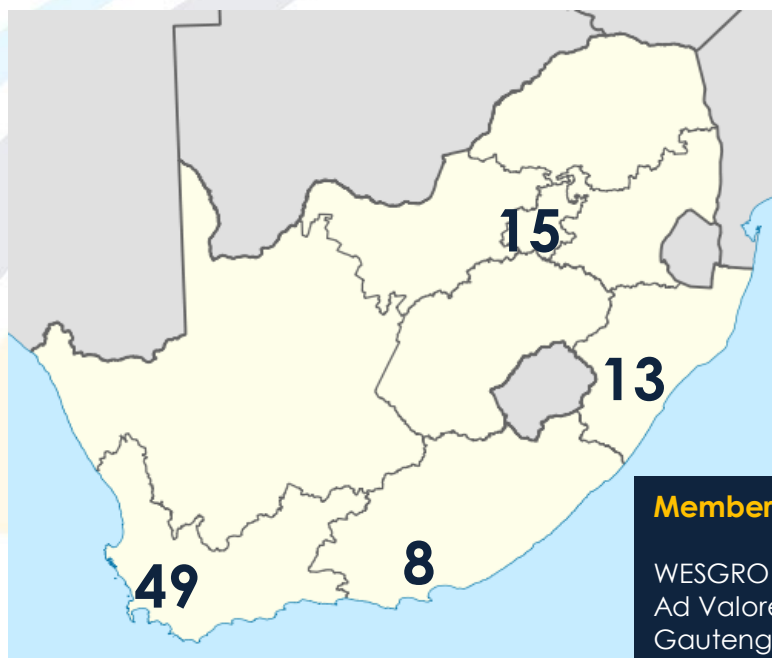
Members: Growth



Members: Sector



Members: Regional



Members networking events

WESGRO sponsored Breakfast on Trade Law
Ad Valorem Tax workshops: CT & KZN (EMC)
Gauteng members: Presentation and drinks
KZN members: Two breakfast presentations
WC members: Presentation and drinks
Annual General meeting 2012

INDUSTRY CO-ORDINATION AND SERVICES

Skills Strategy Implementation

The Skills Advisory Committee continues to meet regularly to guide our efforts in skills development and we can report R3.4M leveraged for skills in the year under review. Our partnership with NUMSA and MerSETA has contributed to this success. The False Bay College Boat Building Academy continues to offer a learnership in Yacht and Boat Building and Composites Training Academy are starting to address Composite Skills training through short courses that are aligned to industry demand. Industry continues its impressive record of 100% work placement for learners. This is another cost to MASA members and I am grateful that you continue to support our training efforts by taking learners on for their work experience component.

The need for specialist skills training is becoming apparent and MASA has contributed to the research into scarce and critical skills in MerSETA and explores mechanisms for teaching these specialist skills.

Key Achievements

- Boat Building listed as a trade
- Boat Building apprenticeship curriculum development started
- 75% graduate placement from the Boat Building Academy at False Bay College
- 6 students enrolled on the Westlawn Yacht Design Correspondence Course

Media exposure

Cape Times April 2012 "SA leisure boating industry is shipshape"

SAILING May 2012 "The Voice of the Marine Industry"

Leisure Boating May 2012 "The New Voice of the Industry"

Financial Mail Sept. 2012 "Ready for wind to change"

Leisure Boating Sept. 2012 "Across the Board"

Radio 702 John Rabie Sept. 2012

eTV Africa News feature on DSTV channel 403

SAILING Feb. 2013 MASA News

United Kingdom:

IBI Magazine

The World of Yachts

Superyacht Business

European Boatbuilder

Professional Boatbuilder

Superyacht News

Boating Business

Yachtbuilder International

Fore & Aft

Marina World

Crew Report

Superyacht Owner

Superyacht Report

International:

Nautica International (Italy)

Boating Business CA (Canada)

Boating Industry CA (Canada)

Marina.ch (Switzerland)

Yacht Turkiye (Turkey)

Asia Pacific Boating (Hong Kong)

ShowBoats International (USA)

ProRider (USA)

Afloat (Ireland)

Industry Accreditation and Builders Plate

The Builders Plate is nearing completion and we wait on the final liaison with SAMSA before launching the plate. The Technical Committee drove a rigorous investigation into the BIASA Builders Plate and a number of changes were implemented to accommodate future developments and innovations, particularly in the use of materials and application of design. While MASA does not have a Technical staff member in place, the Builders Plate will be a declaration of conformity by the manufacturer, similar to the Aa process applied to CE certification.

The builder's plate is an industry driven accreditation scheme that will ensure reputable building standards are adhered to and consumer confidence in South African built boats is encouraged.

Municipality and local government economic development partnerships

MASA continues to work closely with the Department of Economic Development and Tourism, Provincial Government of the Western Cape and the Ethekweni Maritime Cluster in KwaZulu Natal. Both entities have non-voting representation on the MASA Board. MASA also supports efforts of the newly formed Nelson Mandela Bay Maritime Cluster under the Chairmanship of Peter Myles, where plans are in place to grow maritime in the Eastern Cape. In support of the SAMSA/Ekurhuleni MOU to revitalise the inland water bodies in this municipality, MASA has been advising and assisting with these plans in Gauteng.

ICOMIA/IFBSO conference

MASA had the unique opportunity as a newly formed MIA (Marine Industry Association) and member of the International Council of Marine Industry Associations to host the annual congress of ICOMIA and the International Federation of Boat Show Organisers (IFBSO) in April 2012 in Cape Town. ICOMIA and IFBSO meetings are a gathering of the key global industry leaders in our industry and as hosts we were able to



put South Africa firmly on the MIA global map, network with fellow MIA decision makers and establish international networks that continue to reap rewards for MASA. We were also in a prime position to showcase our industry to participants and to establish that many of the challenges we face in South Africa are not just locally generated, but worldwide boating challenges.

Seventeen countries were represented at the Congress and a total of 92 delegates and partners were hosted for the five day event.

IMCI representation

As the newly formed National Association, MIASA were invited to take up representation on the International Marine Certification Institute Board of Directors, replacing Veda Raubenheimer as the SABBEX representative. With IMCI representation well established in South Africa with Marine Surveyor, Peter Jacobs, we have been meeting CE requirements for exports for a number of years. We bid farewell to Peter recently after he re-located to Thailand, but the IMCI presence in South Africa will continue and IMCI Manager Uli Heinemann will be running seminars in the next financial year in South Africa. MIASA CEO attended the annual IMCI Directors Board meeting that coincides with the Marine Equipment Trade Show in Holland in November 2012 and reports favourable management by the IMCI, a reduction in expenses, increased revenue and better management of overdue debtors as well as an increased marketing presence by the Institute.

International Membership

As a global player in the boat building and marine sector, we maintain membership of ICOMIA and ABYC (American Boating and Yachting Council). These two Associations offer the benefit of discounts and international networking that has, to date, proven extremely beneficial. The ABYC has recently increased its correspondence student discount to 20%, encouraging aspirant MIASA affiliated yacht designers to take advantage of the partnership.

Technical Committee 188 (SABS)

MIASA was appointed Chairman of the South African Bureau of Standards, Technical Committee 188. The scope of this ISO committee covers standardization of equipment and construction details of recreational craft, and other small craft using similar equipment, up to 24 metres length of the hull. The small committee inputs into the active ISO working groups and looks after the interests of South African builders and designers. In addition, the ISO standards are adopted as South African national standards, bringing our industry closer to global standards alignment.

Industrial Policy Action Plan

In partnership with the dti our Key Action Programmes for the 2012/13 year focused on the following:

- Trade Policy – import duties on import products
- Industrial Financing
- Infrastructure requirements for the sector

We have successfully reduced tariffs on certain import items into the boat building sector. The Boat Building Stock Boat programme has met the deliverable around sector industrial financing to a certain extent and the inclusion of industry financing in the next iteration of the IPAP is an opportunity to revise and hone the structure of financing options to ensure relevance and appropriate application by members. Infrastructure is an on-going deliverable and we will continue to lobby at the highest level to ensure the correct departments are aware of our needs in the bigger maritime framework.

Blue Flag Marinas

2012 was the first year the Blue Flags Programme included applicants for Blue Flag Marinas. Assisted by the City of Cape Town, in particular Lindi Buirski, the first set of applications was submitted for consideration by the Blue Flags Jury. MIASA as an appointed Blue Flags jury member, assisted in the assessment of the Marina applications against the rigorous Blue Flag Marina criteria and we are proud to report that four marinas achieved full Blue Flag



status in 2012; namely: Yachtport SA – Saldanha, Granger Bay – Cape Town, Simonstown Yacht Club – Simons Town and Royal Alfred Marina, Port Alfred.

Research

A number of research projects have been undertaken in the year under review. The Global Competitiveness of the South African Boat Building Industry was undertaken by Kaiser and Associates in consultation with Dr Brian Gowans on behalf of the dti. Kaiser and Associates also undertook research into the Economic Potential of the designated Fishing Harbours in the Western Cape on behalf of the Provincial Government. This was followed by a Department of Public Enterprise study into the Fishing Harbour Spatial Frameworks, which is still being concluded. Mthente Consulting were commissioned by PGWC to research the Standard Industrial Classification (SIC) codes at the end of 2012.

The dti commissioned Who Own Whom to conduct a study into the feasibility of designating working boats for local public procurement in the third and fourth quarter of the year under review.

In 2013, MIASA contributed to the MerSETA commissioned research on Provincial Scare and Critical Skills, a study being done by Underhill Corporate Solutions. The same company have been commissioned by SAMSA to undertake research into the Maritime Human Resource Development Strategy which is also to be concluded in the next financial year.

MIASA also contributes to the ICOMIA half year trend report which collates general recreational boating trends by country.

TO DEVELOP THE MARKET

Grow Boating

During Maritime Week 2012, MIASA in partnership with Ethekwini Maritime Cluster and Yamaha decided to give young learners a taste of “the real thing” and we took a group of 12 high school learners out boating. The learners were suitably impressed. “It was awesome because I got to see many things that I only see on television” said Ntokozo Zondi. Her colleague Zondo Ntombishikhona enthused “we enjoyed it big time” and with the final word, Fortunate Sibatana added ... “more than BIG time!”.



I believe it is through sharing a passion for boating and a love of the water that we can grow the boating community in South Africa and more people can enjoy life afloat; whether on the ocean, dams or rivers; resources with which we are richly blessed in South Africa. We will be working in the coming financial year to develop an appropriate campaign to get more people into boating, modelled on some of the successful international campaigns such as “Grow Boating”, “Welcome to the Water” and “Discover Boating”.

Boat Shows

Our local boat shows in South Africa play a vital role in showcasing our industry and encouraging new entrants into recreational boating. Despite the tough economic climate in 2012, we saw two new entrants with the Johannesburg Boat Show at Nasrec and the Knysna Boat Show giving us a grand total of five dedicated boat shows. MIASA has endorsed the Cape Town International Boat Show from 2013 and has negotiated a 5% exhibition space discount for its members. We look forward to another active year of boat shows and I am cautiously optimistic that the markets are starting to look a little more positive, although only time will tell.

Inbound Trade Missions

MIASA in partnership with the dti hosted trade representatives from Brazil, South Korea and Angola. 29 companies participated and 96 direct meetings were held over 2 days during the Cape Town Boat Show. One agreement was signed as a result of the mission and valuable contacts were established in these countries and with the local South African trade representatives. Future efforts will be more focused and more comprehensive company matching undertaken.

SABBEX

MIASA continues to work closely with SABBEX providing administrative and office support. It is clear that the Association has an exporter incubation role to play and by aligning SABBEX and MIASA efforts we are better able to leverage the resources at our disposal. SABBEX members were represented at the Strictly Sail Miami Boat Show, the Annapolis Boat Show, Palm Beach International Boat Show and the Marine Equipment Trade Show in Amsterdam in the year under review.

Membership Database

Ace Boating
Admiral Powercats
Anchor Boat Shop
Aqua Academy Skippers Training
Aqua Doctor / Auto Doctor
Aqua Quad
Austral Marine
Boating International
Boating World
Boatworld
Broderick Marine
Camping & Boating Centre
Cape Town Rubber
Central Boating
Club Marine Insurance
Composite Training Academy
Cruiser Cats
D7 Boating
David Abromowitz & Associates
Du Toit Yacht Design
False Bay College
Falx Trading
Fowkes Bros
Garmin SA
Gecat Marine
Gemini Evo Marine
GW Industries
Harken South Africa
Hookon Boats
Intrinsys
Jacobs Bros Boat Builders
Jo Fensham Yacht Upholstery
Kamassi Craft
KD Marine Design
Knysna Yacht Company
Lalizas Marine RSA
Lavranos Marine Design
Leisure Craft
Leopard Catamarans
Lowrance SA
Manex & Power Marine
Matrix Yachts
Maverick Yachts
Merwe Marine
Natal Caravans & Marine
Natal Power Boats
National Luna
Nautic Africa
Navigate Underwriting Managers
Nexus Yachts
NG Management
Novamarine
Port Owen Marina Authority
Pronto Clearing
Quantum Sails
Recreational Boat Safety

Rhino Marine Products
Robertson and Caine
Rosalfurn
Royal Cape Catamarans
Rutherfords Marine
Seascope Marine Services
Seascope Stainless Steel Services
Southern Power Products
Southern Spars Cape Town
Southern Wind Shipyard
St Francis Marine
Stealth Yachts
Supreme Leisure & Boating
Suzuki South Africa
Tag Yachts
T-Craft
TRU Yachts
Two Oceans Marine Manufacturing
Veecraft Marine
Vetus Maxwell
Viking Life-Saving Equipment SA
Wale Marine
Waterfront Expeditions
Waterworld
Wayne Robertson Yachts
Whisper Boatbuilding Academy
YachtPort SA
Yacht Technology
Yamaha Distributors
ZF Services



