

The socio-economic contribution of the hake deep-sea trawl fishery

Key economic indicators

The data presented in the table is based on information provided by rights holders in the hake deep-sea trawl fishery who account for approximately 92% of the harvested total allowable catch. Data was compiled by independent economists Genesis Analytics in 2020, using data from the 2019 fishing year.

Key metrics for sector	
Total allowable catch (TAC)	122 431 tonnes
Investment	
Insured asset value of fleet	R3.6 billion
Insured asset value of processing facilities	R4.0 billion
Insured asset value per 1 000 tonnes of TAC	R62 million
Total CAPEX investment since 2005	R3.8 billion
Vessel operating cost per sea day (large vessel, medium vessel, small vessel) ¹	R260 000; R182 000; R129 000
Average fixed costs per day for industrial processing (fresh-fish and value-add facility)	R482 000 and R250 900
Employment	
Direct employment – total permanent employment	5 368
Direct employment – total seasonal employment	1 204
Annual wage bill	R1.4 billion
Direct employment per 1 000 tonnes of TAC	53 jobs
Total indirect and induced employment	5 773
Indirect and induced employment per 1 000 tonnes of TAC	47 jobs
Average monthly wage for sea-going employees	R22 000
Average monthly wage for factory (processing) staff	R9 000
Transformation	
% black shareholding across fishery 2005	30.0%
% black shareholding across fishery 2009	41.6%
% black shareholding across fishery 2019	66.8%
% black employment	97.0%
B-BBEE scorecard for fishery	105.1
Domestic supplier spend	R3.6 billion
Domestic supplier spend to black-owned entities	R2.2 billion
Domestic supplier spend to female-owned entities	R382.5 million
Domestic supplier spend to SMMEs outside of the fishery	R624.4 million
Expenditure directed towards SMMEs within the fishery	R183.9 million
Number of SMMEs supported	1 041
Corporate Social Investment	R7.7 million
Supplier spend per 1 000 tonnes of TAC	R29.4 million
Sales and marketing	
Total sales revenue	R4.3 billion
Total domestic sales revenue	R1.8 billion
Total export sales revenue	R2.5 billion
Sustainability classification	Marine Stewardship Council ²
Local economic development	
Total number of direct employees outside of major metropolises	2 114
Estimated supplier spend outside of major metropolises	In excess of R220 million
Number of SMMEs supported outside of major metropolises	Approximately 190

¹ Sizing is based on capacity. Large, medium and small sized vessels have a capacity of more than 4 000 tonnes, between 2 000 and 4 000 tonnes, and less than 2 000 tonnes respectively.

² One of only two fisheries in Africa to hold Marine Stewardship Council certification, granting the fishery access to high value consumer markets.



Employment

- 6 600 direct jobs
- 5 800 indirect and induced jobs

The creation of permanent employment in non-metropolitan areas such as Gansbaai, Mossel Bay, Saldanha Bay and St Helena Bay, is vitally important when considering the fact that unemployment rates in non-metropole areas in the Western Cape and Eastern Cape are extremely high, at approximately 21.6% and 45.8% respectively.

Investment

Insured asset value of vessels and processing facilities = R7.6 billion
Total capital investment since 2005 = R3.8 billion

Value

The value of the hake deep-sea trawl fishery based on sales = R4.3 billion per year

- Domestic sales = R1.8 billion
- Export sales = R2.5 billion
- Exports make up 60% of all sales

Wage bill

The total wage bill of permanent employees is R1.4 billion per year, growing to R2.2 billion when local economic multiplier effects are accounted for³

- Sea-going employees earn R22 000 per month
- Processing employees earn R9 000 per month
- These amounts are considerably higher than the national minimum wage that was introduced in South Africa on 1 January 2019.

Taxes

- Income tax = R347 million per year
- Municipal rates and taxes = R8.6 million per year

Rights holders pay further amounts to government in the form of utilities, registration fees and levies.

³ The use of the gross domestic product multiplier on the wage bill assumes that the annual average salary of the permanent employees is directed straight into the local economy, generating additional demand for goods and services in the market. Additionally, the assumption is that the wage bill is an upper estimate because it does not exclude income tax and other salary deductions.

CSI spend

Social investment = R7.7 million per year
 Between 40% and 50% of social investment is spent on education.

Supplier spend

- Direct contribution = R3.7 billion per year
- Indirect contribution = R2.2 billion per year
- Total supplier spend = R5.9 billion per year

A large focus of domestic supplier spend (>R664 million per year) is with small, medium and micro enterprises.

References

Felet, A., Fiandero, F., Ntanz, A., van der Hoven, Z., Moses, P-J. & Goagoses, L. 2020. Economic study of the hake deep-sea trawl fishery and the implications for future fishing rights allocation policy. Johannesburg, South Africa, Genesis Analytics. 135 pp.

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SADSTIA. 2021. Investment in the hake deep-sea trawl fishery. SADSTIA Factsheet No. 5. Available at https://www.sadstia.co.za/wp-content/uploads/2023/06/A4-Factsheets_5-1.pdf



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Unlocking the value of the Cape hake resource