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# *CONTRIBUTION OF SEABORNE COMMERCE TO THE SOUTH AFRICAN GROSS DOMESTIC PRODUCT*

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*South Africa is strategically positioned along one of the world's busiest maritime trade routes, with shipping traffic passing through the Cape of Good Hope. Large volumes of cargo are transported and exported annually through the country's eight commercial ports, highlighting the importance of maritime trade to the national economy. Despite this advantageous geographical location and substantial trade activity, only a limited number of vessels are registered under South Africa's ship registry.*

*Existing literature suggests that the use of certain INCOTERMS often results in cargo owners having minimal involvement in arranging the transportation of goods. Consequently, much of the shipping and freight management is controlled by foreign shipping operators. At the same time, South Africa exports significant quantities of raw materials and dry bulk commodities, including coal, manganese, and iron and steel products. However, despite the scale of these exports, South Africa is not regarded as a major ship-operating nation, as the country has limited participation in vessel ownership and international shipping operations.*

**[Keywords]** INCOTERMS, GDP, South Africa, maritime transport

## I INTRODUCTION

The purpose of this research is to investigate the contribution of seaborne commerce to the South African GDP and estimate the volume of freight transportation revenues generated or expended during the conveyance of South Africa's principal seaborne imports and exports. A major part of this study is to interrogate the international terms of shipment which are

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prominent in South Africa for both exports and imports. The study's second objective is to investigate the possibility of South Africa securing a larger share of these revenue streams. The lack of precise information makes assessing and appraising the contribution of cargo and maritime-related services to the country's overall economy difficult.[1] On the methodology used for this study which is the limitation, relies only on savings account from the South African Reserve bank, which does not capture the transport aspect for the movement of cargo to the international market.

## II BACKGROUND[2]

Maritime transport, historically pivotal in facilitating global trade and holding a significant share therein, has evolved into a vital and strategic economic factor.[3] Trade is primarily conducted by sea and through its ports. In this setting, the expansion of maritime transport infrastructure has become a critical enabler and accelerator for South Africa 's economic competitiveness. Furthermore, maritime transport is responsible for managing 80 per cent of trade volume, which accounts for around 70 per cent of its total value in South Africa.[4] The maritime industry has wielded a vital influence on the advancement and growth of economies across the globe. In South Africa, the maritime sector stands as a fundamental element of the economy, making a substantial contribution to the nation's GDP.[5] The broad sea transport business is one of the industries that contribute to the South African economy.[6]

'A maritime nation is defined as a dependency to a nations capacity to engage in maritime trade, influenced by its geographical proximity to global waters and reliance on trade

1 W Matekenya & R Ncwadi 'The impact of maritime transport financing on total trade in South Africa' (2022) (7) *Journal of Shipping and Trade.*

2 Maritime Transport: The Backbone of Global Trade and Logistics available at *https://hubbig.com/en/maritime-transport-the-foundation-of-global-trade-and-transportation/*

3 J P Rodrigue *The Geography of Transport Systems* (Routledge 2020).

4 UN Trade and Development (UNCTAD) *Review of maritime transport 2023*.

5 Department of Forestry, Fisheries and the Environment *The South African Oceans Economy Master Plan to 2035* Draft 4, Version 1 (2022).

6 Ibid par 2.

https://doi.org/10.47348/JOGA/2025/a2

connections.'[7] South Africa is considered as a maritime nation, however, there is no clear definition of what constitutes a maritime nation, as evidenced by its oceans, international trade patterns, and large marine real estate. Despite its distance from major trade partners and markets such as China, Japan, the United Sates, and the European Union,[8] South Africa has a geostrategic position on a significant sea-trading route that is at the heart of the South-South Trade and connects Asia's markets with those of the Americas.[9]

South Africa's strategic location along one of the busiest international sea routes puts the country into the position as a key player in global trade and provides compelling potential for the country's maritime industry to thrive. The importance of this geographical advantage cannot be over emphasised, as it opens the door to expanded trade and a booming maritime sector. Recognising the invaluable importance of the maritime industry to both local and global trade is critical, and it is clear that the vessels on which this trade works are the system 's backbone.[10]

On a worldwide scale, shipping has repeatedly proven to be one of the most efficient and cost-effective modes of cargo transportation. It is believed that 80 per cent of the world 's trade is transported by sea, highlighting the critical role that maritime transport plays in keeping products flowing across borders. Given this figure, investment in maritime transportation is not only prudent, but also critical to South Africa's economic growth and integration into the global economy.[11]

Currently, multinational shipping corporations such as Maersk, Mediterranean Shipping Company (MSC), and CMA CGM dominate the South African maritime business.[12] These

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7 J M Lane 'Maritime dependency and economic prosperity: Why access to oceanic trade matters' (September 2020) *Marine Policy* 121.

8 Status of Trade Relations and Ongoing Trade Negotiations: Presentation to the Portfolio Committee on Trade, Industry and Competition (25 November 2025) available at *https://www.thedtic.gov.za/wp-content/uploads/PC-Nov2025-Status-Trade-Relations-Negotiations-Final.pdf*

9 Department of Transport *Comprehensive Maritime Transport policy* (South Africa 2017).

10 South Africa Country Commercial Guide available at *https://www.trade.gov/country-commercial-guides/south-africa-ports-and-marine*

11 Ibid par 3.

12 'Shipping alliances and MSC dominate over 80% of container market' available at *https://www.freightnews.co.za/article/shipping-alliances-and-msc-dominate-over-80-of-container-market?page=33*

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reputed foreign shipping lines have large fleets that cover most of the maritime trade. While these multinational firms help to keep the industry afloat, there is a strong case to be made for South Africa to develop its own maritime capabilities. Currently in South Africa there are the following shipping companies: Vuka Marine, a joint venture with K Line Shipping, currently has two ships representing South Africa: the Cape Orchid and the Cape Enterprise, both bulk carriers.[13]

## III OVERVIEW OF THE SOUTH AFRICAN MARITIME TRANSPORT SECTOR

South Africa's strategic location is significant, especially in comparison to other sea routes such as the Suez Canal. While the Suez Canal is an important waterway for world trade, recent events have highlighted its vulnerabilities, including political instability in the region, which has resulted in blockades, piracy threats, and the possibility of disruptions due to geopolitical tension. In contrast, South Africa's standing is stable. Its location near Africa's southern tip provides an important alternate route for maritime trade, particularly between the Atlantic and Indian Oceans.[14] South Africa's trade to GDP ratio was 59.20 per cent in 2019, with imports and exports accounting for over 60 per cent of the country's GDP, underlining the country's reliance on international commerce. South Africa may not be geographically close to its trading partners or markets,[15] but it is able to concentrate strategically on a key trade route connecting the American and Asian markets. The maritime interests of the country are firmly ingrained in its geoeconomics structure and trade dynamics, making the maritime transport industry a potential driver of major economic development. This maritime transport industry is critical to unlocking South Africa's 'Ocean Economy' for future growth. It coincides with the objectives set in the 2011–2030 National Development Plan and the New

13 F Amra 'Ship and boat sector study in South Africa' *Trade & Investment KwaZulu Natal* November 2021.

14 D C Youvan, *Navigating Troubled Waters: The Strategic Importance of the Suez Canal and Red Sea in Global Maritime Trade* (2024) https://doi.org/10.13140/RG.2.2.18214.91208

15 C Hattingh et al *Perfecting the Own goal South Africa's Trade Infrastructure and Policy Space in 2024* (Centre for Risk Analysis: South Africa 2024).

Growth Path, placing it as a crucial economic sector critical to the country's economic progress.[16]

The domestic maritime transport industry in South Africa has dwindled significantly, with no registered cargo-carrying ships and numerous outsourced services to foreign entities.[17] Foreign liner companies in South Africa primarily handle front-office interactions, ship management, and cargo planning when offshore options are inefficient.[18] When it comes to bulk shipping, some ship broking firms are based in South Africa, but most ship charters are arranged abroad due to the common practice of selling bulk exports on a free on board (FOB) basis and importing on a cost, insurance, and freight (CIF) basis.[19]

South Africa holds a prominent position in the realm of maritime trade, particularly as a consumer of bulk and liner transport services due to its import-export activities. However, its presence as a provider of these services is quite limited. In South Africa, cargo owners typically do not engage in transport arrangements, and there are scarcely any foreign-going vessels registered under the South African Ship Registry. Consequently, the import-export trade of South Africa is predominantly conducted using foreign flagged vessels.[20]

The world's merchant fleet, comprising cargo-carrying ships, currently accounts for more than 80 per cent of global trade by volume and over 70 per cent by value. As of the present moment, South Africa has not added a single locally flagged merchant vessel to its ship registry since 2015, and it remains heavily reliant on foreign-owned and operated cargo-carrying ships. However, between the second half of 2015 and March 2021, South Africa has welcomed six new merchant vessels into its fleet:

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16 D Ntuli *Comprehensive maritime transport policy for South Africa* Department of Transport (2017).

17 *Growth of a South African Maritime Transport Industry* available at *https://mpaforum.org.za/wp-content/uploads/2016/08/Growth-of-SA-maritime-transport-sector-Rep.pdf*

18 Ibid par 2.

19 *Growth of a South African Maritime Transport Industry* available at *https://mpaforum.org.za/wp-content/uploads/2016/08/Growth-of-SA-maritime-transport-sector-Rep.pdf*

20 S Bhengu & L Mudau *South African ship register promotion strategy* Southern African Transport Conference (2023).

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- Cape Orchid, formerly operated by Vuka Marine, based in Gqeberha (formerly Port Elizabeth), which is no longer in service
- Cape Enterprise (Vuka Marine)
- MT Lefkas, owned by Aegean Bunkering Marine Services based in Gqeberha
- Greatship Manisha, operated by Cape Town-based Marine Crew Services
- Windsor Adventure (Vuka Marine); and
- Cape Acacia (Vuka Marine).

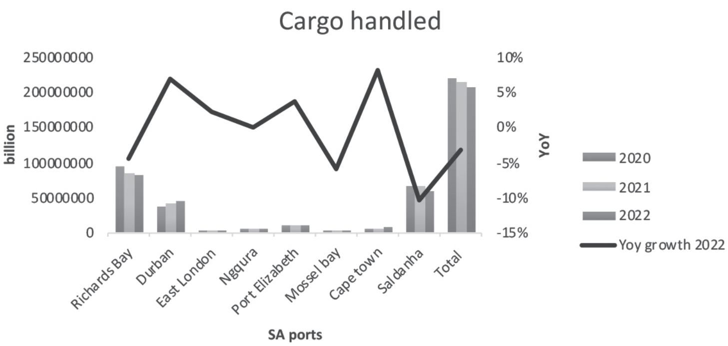


**Figure 1:** Cargo handled at the ports of South Africa[21]
*Source: TNPA*

In Figure 1 above, the data illustrates the total traffic in South Africa's eight commercial ports managed by TNPA, encompassing container, dry bulk, and break-bulk cargo for the period spanning from 2020 to 2022. The overall amount of cargo handled has decreased, with cargo volumes recorded at 209.92 million metric tons in 2022, compared to 222.42 million metric tons in 2020. Despite a drop in the number of vessels arriving at South African ports, South Africa has seen a constant increase in the volume of cargo flowing through its ports. The decline can be attributed partly to economic challenges, but it also needs to be viewed considering the increasing use of larger ships for transporting goods and the shipping industry's

[21] Summary of Cargo Handled at Ports of South Africa (January 2022) available at *https://www.transnetnationalportsauthority.net/Commercial%20and%20Marketing/Port%20Cargo%20Statistics/SUMMARY%20OF%20CARGO%20HANDLED%20AT%20PORTS%20OF%20SOUTH%20AFRICA%20-%20JAN%202022.pdf*

efforts to enhance efficiency. The South African context poses challenges in accurately identifying and categorising delays experienced by ships at anchorages.[22]

## IV LITERATURE REVIEW

The literature review aims to examine existing research conducted both internationally and within South Africa regarding maritime transport. It seeks to investigate a body of reviewed literature that addresses key issues pertinent to the growth of South African seaborne commerce and the shipping industry in the country. The central conceptual areas to be interrogated are the ruling terms of shipment and their influence on the development of the seaborne commerce in South Africa, and on the ability of South African cargo owners to participate in the transport of the country's seaborne exports and imports, and on the Balance of Payments (BOP).

### a) Empirical literature review

At study conducted by Ogoun,[23] shows that maritime transport plays a big role in boosting Nigeria's GDP, which is a key component influencing the country's total economic growth. The study further also emphasised that maritime transport plays an important role in the value chains of numerous economic sectors, allowing them to make significant contributions to the national economy. This highlights its importance as a strategy for promoting economic progress in Nigeria. Furthermore, the study exposes various problems that impede maritime transport's usefulness as a tool for boosting economic growth in Nigeria. It is critical to emphasise the enormous importance of maritime transport in Nigeria and its role in propelling the country's economic development.

Maritime transport, according to Alexandra Fratila's (2021) research, comprises a wide range of activities, including port operations and logistics. These activities collectively have a substantial impact on the expansion of maritime industry and commerce, ultimately promoting economic growth and job

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22 S E Mthembu & M G Chasomeris 'An assessment of the capacity and the performance of marine services in South Africa's ports' (2023) 17 *Journal of Transport and Supply Chain Management.*

23 P M Ogoun 'Maritime transport as a tool of economic growth of a nation' (2022) 2(3) *European Journal of Science, Innovation and Technology.*

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creation. Because of its image as an environmentally beneficial mode of transportation, maritime transport plays an important role in encouraging sustainable development in addition to its impact on economic growth. While maritime operations have some negative environmental effects, they are minor when compared to the environmental impact of road transportation. The study's findings highlight the importance of maritime transport in the economy, as it has an impact across a wide range of sectors and occupations, employing a sizable workforce.

### (b) South African literature and INCOTERMS

According to the 2017 Comprehensive Maritime Transport Policy (CMTP), maritime trade accounts for a significant amount of South Africa's economy, estimated to be in the range of 98 per cent. South African maritime trade accounts for 3.5 per cent of the world's sea and the maritime trade.[24],[25],[26] As a result, it is important for this study to investigate the current literature on South Africa's terms of shipments (INCOTERMS) and their implications for the growth and development of the South African shipping business.

The specific cargo terms chosen will have a considerable impact on the benefits gained by the country from its maritime sector. When selling, choose 'Free on Board' (FOB) and when purchasing, choose 'Cost, Insurance, and Freight' (CIF). This allows traders to select their favourite carrier. A country that is heavily involved in marine activities and international trade should be able to provide the majority, if not all, of the necessary services for global trade operations. This includes insurance, freight, and related charges, as well as providing flexibility and permitting suitable options between domestic and overseas service providers.

There are two major research studies on the terms of shipment in South Africa which are considered here, first by Jones and

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24 B Zulu et al 'An Evaluation of the Factors that Impact the Sustainability of Maritime SMMES in the Kwazulu-Natal Province' 2023 5(1) *African Journal of Inter/Multidisciplinary Studies* 1–13 available at *https://doi.org/10.51415/ajims.v5i1.1040*

25 Zulu et al op cit note 24.

26 A Research, Innovation and Knowledge Management Road Map for the South African Maritime Sector; available at *https://saimi.co.za/site/uploads/resource/csir_sa_maritime_road_map_devv3_final.pdf*

Kennedy[27] on the terms of shipment of South African seaborne trade and second by Lushkinov,[28] who did a study on a critical analysis of the international terms of shipment in dry bulk exporters from the port of Richards Bay.

The Jones and Kennedy study,[29] which was built upon an impression of terms of shipment (FOB vs CIF) governing South African exports, concerns mainly bulk exports. The study examined reasons why these respective shipment paths were chosen and attempted to identity problems that militate against a higher proportion of CIF arrangements. The study focused on the bulk cargoes, with the majority using FOB terms. The interviews which were conducted with the major exporters of both bulk and liner cargoes reveals that the bulk of the sub-continent's exports move on FOB terms, a situation that leaves the choice of carrying vessels in hands of the overseas buyers of South African products. A minority of CIF exports did exist and are primarily on the sphere of higher valued cargoes or cargoes susceptible to damage in transit. The higher incidence of CIF export sales is likely to benefit both the South African shipping industry.

According Lushnikov,[30] two of the eleven available terms deserve discussions. These are Free on Board (FOB) and Cost Insurance and Freight (CIF), which are mostly used in dry bulk commodities in South Africa. Both terms are long established and ideal for seaborne transport in port-to-port shipments. As mentioned above, when goods are sold on FOB terms the obligation is on the buyer to load the goods into the nominated ship and therefore all risks are transferred to the buyer. The vital difference between the two terms is the nomination of the vessel to transport the goods. The FOB allows the buyer to nominate the ship while with CIF the seller nominates the ship and subsequently exercises a degree of control of the costs of the shipment. These two terms have had an important influence in the development of international and fundamentally South

27 T Jones & T L Kennedy *The terms of shipment of South African seaborne exports* (1991) Final Report National Institute for Transport and Road Research, South Africa.

28 A Lushnikov '*A critical analysis of the international terms of shipment in dry bulk exports from the port of Richards Bay*' (University of Natal, 2003).

29 Op cit note 27.

30 Op cit note 28.

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African seaborne trade. The port of Richards Bay exports most of the South African dry-bulk cargo and is the leading port presently in handling dry-bulk cargoes.[31] Given such a background the study tried to critically analyse the choice of trade terms, particularly between FOB and CIF options, used by major exporters of dry bulk commodities from the port of Richards Bay.

The primary trend in South African trade involves selling exports under FOB terms while importing goods using CIF terms, delegating shipping responsibilities to foreign parties. Jones and Kennedy's study[32] revealed that commodities such as coal, manganese ore, chrome ore, iron ore, maize, sugar, molasses, and vermiculite mainly follow FOB export arrangements in the bulk sector. However, the study couldn't provide a comprehensive, commodity-specific overview as it didn't include all major bulk shippers. Coal dominates South Africa's bulk exports, making its coal industry the sixth largest globally. According to Jones,[33] many exporters in the coal sector perceived themselves as less influential and less capable of securing favourable freight terms compared to their foreign counterparts. Some significant coal and mineral exporters in South Africa exclusively prefer 100 per cent FOB sales, asserting that their expertise lies in mining rather than shipping.

### (c) Differences between FOB and CIF

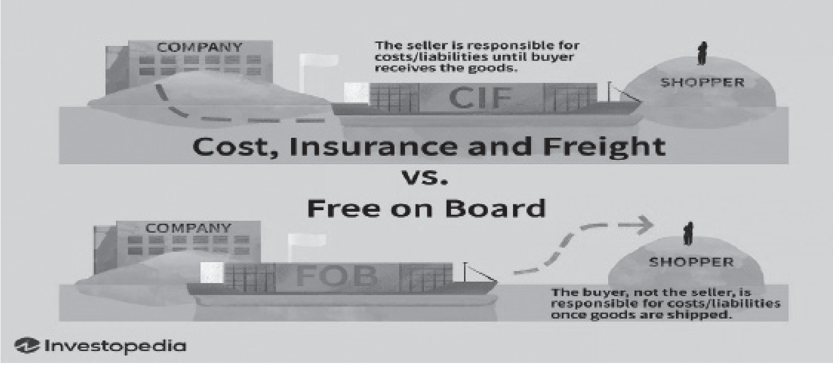


**Figure 2:** The terms of shipment and the balance of payments

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31 KwaZulu-Natal Transport available at http://www.kzntransport.gov.za/public_trans/freight_databank/kzn/ports/Richards_Bay/index_xml.html

32 Op cit note 27.

33 Ibid.

Shipping plays a vital role in the global economy because resources are not always conveniently located where they are needed most. Consequently, shipping enables the movement of these resources to areas where there is high demand – if it makes economic sense. This process can have a significant impact on a country's balance of payments, either positively or negatively. The choice of shipping methods used to transport goods also has a direct effect on the services account. For instance, the balance of payments concept has often been cited in literature as a strong rationale for the development and maintenance of a national merchant marine. By substituting domestic vessels for foreign ones previously employed in a country's international trade, it can lead to savings in foreign exchange payments for shipping services. Additionally, a domestic fleet can generate additional foreign exchange earnings through cross-trading activities.[34]

Countries noted for their successful trading, such as China, Korea, and India, have followed a similar path. South Africa's ability to handle its own imports and exports has dropped dramatically since the 1980s, according to CMTP 2017. As a result of all of this, there are no commercial vessels on the South African ship registration, which has far-reaching ramifications for the country. These repercussions include the loss of critical maritime experience in both the public and private sectors, a decrease in commercial maritime service capacity, reduced industrial capabilities, and a decrease in R&D and innovation capability. All of these are resources that a country normally acquires by regulating, owning, and operating a domestic commercial shipping business – this emphasises the crucial relevance of maritime transportation to the economy.[35]

The lack of a South African merchant fleet can have a substantial impact on the country's overall economic performance. South Africa now lacks a functional merchant fleet, which has a negative impact not just on the country's foreign exchange reserves, but also on intangible revenues, job creation, and the development of competence in the dry bulk business. As a result, using South African-flagged vessels for exports would immediately benefit the country's balance of payments. When investments in shipping are accompanied with safeguards such as flag discrimination, resulting in higher

[34] E Haralambides *The economic impact of shipping on the national economy* Conference Paper (2015).
[35] Department of Transport 'Comprehensive Maritime Policy' 2017.

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freight rates in protected markets, the earnings of national-flagged ships no longer assist with the balance of payments. The emphasis instead moves to the earnings of foreign ships that could replace them without protection and at lower freight rates.

The study conducted by Mabiletse[36] suggests that one possible explanation for the absence of a merchant fleet in South Africa is the substantial financial requirements associated with the shipping industry. It appears that suitable maritime financial institutions are lacking to support the expansion and improvement of South African shipping. Several significant obstacles, including a shortage of skilled labour, a lack of a clear plan for future port expansions, insufficient innovation and technology development, a misalignment between industry needs and available training, and a significant number of companies facing undercapitalisation and challenges in making investments in product development, continue to impede the progress of the South African maritime sector.[37]

It is critical to emphasise the importance of shipment terms in connection to a country's balance of payments in the context of this study. Nonetheless, estimating the exact monetary losses incurred through payments for transport services on FOB terms to foreign ship-owners is a formidable challenge. This is primarily since these transactions do not include South African factors of production and hence fall outside the scope of the RSA balance of payments accounts.

## V DATA AND METHODOLOGY

This section expands upon this groundwork and briefly outlines the methodological approach that will be employed to investigate the identified research questions. The research will rely on secondary data, and the research approach will be an empirical investigation.

### (a) Objectives and critical questions

The purpose of this research is to investigate some of the features and estimate the volume of freight transportation

[36] T G Mabiletsa *South African owned shipping and potential benefit for South Africa: A ship owner's perspective* (Dissertation submitted at World Maritime University 2016).

[37] Ibid 6.

revenues generated or expended during the conveyance of South Africa's principal seaborne imports and exports. It also attempts to investigate the possibility of South Africa securing a larger share of these revenue streams. The lack of precise information makes assessing and appraising the contribution of cargo and maritime-related services to the country's overall economy difficult. The questions that the paper seeks to address have been strengthened or rather sharpened by the information which was generated from the literature review. The principal research questions are:

- How to develop a shipping industry if cargo owners (exporters and importers) follow patterns of the Incoterms that do not involve them in the transport process (i.e., predominantly FOB exports and CIF imports)?
- Is it economically a good idea to carry a greater proportion of South Africa exports and imports in South African vessels?
- If the ruling INCOTERMS are principally FOB exports and CIF imports, who is currently paying this sea freight transport bill, and how much are they paying?

The method of research comprises raising questions and methods, as well as producing interpretations of the significance of the records. The methods used to collect data are primarily quantitative. The overall traffic base of South African ports – around 300 million tons – has been calculated using Transnet data, and this traffic base has been disaggregated into major commodity kinds using Transnet data as well as independent estimates. The sea freight cost for this cargo was then approximated by correlating each broad commodity class with indicative freight rates derived from publicly available price data (IHS Fairplay; Drewry Maritime Research; Stata). These estimates are then interrogated in the context of the published Freight Services data in the South African Balance of Payments (BOP) accounts, to account for the apparent under-recording of freight payments on the published BOP, as well as to determine who bears the fuller sea freight costs, and whether that pattern of payments and responsibilities can be changed more favourably from a South African perspective. The study technique will cover the necessary content to address the research question and draw a valid conclusion on the contribution of seaborne commerce to the economy of South Africa.

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## VI ANALYSIS AND INTERPRETATION OF RESULTS

The major findings and outcomes are provided, along with an analysis and discussion. The methodology attempts two relevant exercises, both relevant to data analysis and interpretation. The first exercise seeks to estimate the total import and export sea freight bill for South African seaborne commerce. The second exercise attempts to investigate the likelihood of, and the extent to which, a bigger share of this freight bill may be captured by South Africans as opposed to foreigners, as well as the methods through which this greater retention of freight revenue may be conceivable. Two approaches are taken to investigate this; first, the services account of the balance of payment is examined and is interrogated; and secondly the possibilities of a greater control of cargo on the part of South African shippers or a greater control of national ships, are considered.

### (a) Exercise 1

The total traffic base of the South African ports has been estimated from Transnet data from Statista and this traffic base has been disaggregated into principal commodity types, and is also in part supplemented by independent estimates. The traffic is disaggregated as follows: 4.4 million TEUs from container; 173 million tons from dry bulk; 5.6 million metric tons from the break bulk; and 38.1 million tons from liquid bulk. Other cargoes, including conventional break bulk cargoes, automotive cargoes, and important commodities like steel, have not been disaggregated in this exercise, but are treated here as a single residual category of some 38.1 million tons. This exercise will attempt to estimate the aggregate import and export freight bill associated with this seaborne commerce, as shown below. A range of standard freight rate, adapted in 2018 from sources such as IHS Fairplay and Drewry $15/ton for dry bulk; $10/ton liquid bulk; $40/ton for break bulk and $10,400 for TEU for 2022 was sourced from Statista. This is not an accurate exercise since the precise freight rates are not always known and therefore freight bill estimates will be produced.

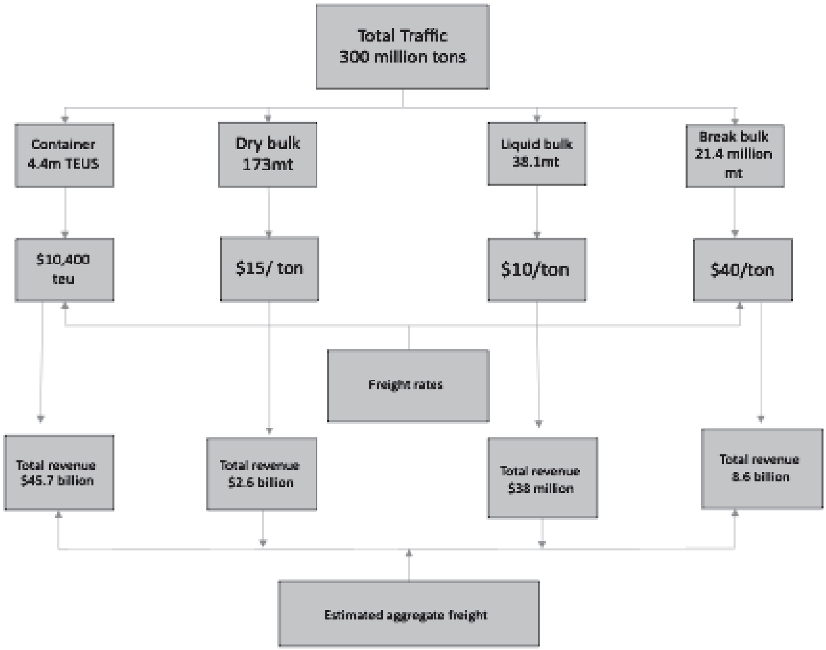


**Figure 3:** An estimate of aggregate import and export freight bill
*Source: Author calculations using TNPA; STATISTA; HIS Fairplay data*

Figure 3 is the estimate for freight bill for container; dry bulk; break bulk cargoes and liquid bulk cargo using exchange rates for 2023. The first part is an estimate of volume or tonnage as per the commodity composition (and is seen as a robust estimate), and to each volume component an indicative freight rate has been attached to generate potential freight revenue for each component and then for the total. The reader must be aware that these are estimated not precise figures. The total freight revenue for containerised cargo of R86.97 billion represents the dominant component of this total freight fund, with the revenue associated with the break bulk cargoes standing at some R16.4 billion. This represents the aggregate potential fund of revenue that could benefit South African transport interests if South African cargo owners are more involved in transport arrangements and if more cargoes were to be carried by South Africa vessels.

### (b) Exercise 2

We now focus on the published accounts of the South African Balance of Payments (BOP) to better comprehend how the BOP represents South Africa's Sea freight income and expenditures. Table 1 and Table 2, presented below, display the services account of the South African Balance of Payments (BOP) for the past eight years. The first table documents receipts, while the second table documents payments. The services account encompasses transportation, travel, and other services. However, for the purposes of this research, our primary interest lies in the 'Transportation other' category. This category reflects both service receipts and payments related to the transportation of goods between South Africans and non-South Africans. If we only consider the year 2022, the published data in the Services account reveal that South African transportation entities earned approximately R25.7 billion from foreigners for providing non-passenger (freight) transportation services, but that South Africa paid foreign transport interests some R97.9 billion, showing a considerable net deficit of some R27.4 billion in respect of the freight costs associated with this country's merchandise import-export trade. Given the dominance of sea transport, most of these transactions represent sea freight transactions. However, it is evident that the stated freight service magnitudes are far lower than the predicted sea freight prices estimated in Section 1 above. This demonstrates that the published BOP data fails to cover even a portion of the total transportation bill. In simple terms, this is due to the prevalence of FOB export sales, in which no South African is involved and hence the transactions are unreported on BOP.

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**Table 1:** Balance of Payment (services, income, and transfer receipts)

| Services R millions | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|
| Transportation (Passenger fares and other) | 31 410 | 32 116 | 30 891 | 29 764 | 32 057 | 22 300 | 18 191 | 25 722 |
| Travel (Business and other) | 105 066 | 116 357 | 117 573 | 118 366 | 121 132 | 40 675 | 31 324 | 78 054 |
| Other services | 61 624 | 71 246 | 71 906 | 77 109 | 76 570 | 76 656 | 85 361 | 103 139 |
| Manufacturing services on physical inputs owned by others | 31 | 41 | 35 | 34 | 40 | 43 | 33 | 38 |
| Repairs and maintenance services on movable goods | 424 | 432 | 560 | 705 | 661 | 833 | 552 | 735 |
| Financial and insurance services | 15 930 | 17 257 | 16 129 | 17 292 | 16 446 | 16 988 | 19 586 | 20 810 |
| Charges for the use of intellectual property | 1 632 | 2 037 | 2 101 | 2 420 | 2 175 | 2 074 | 2 001 | 3 386 |
| Telecommunications, computer, and information services | 7 008 | 8 202 | 8 465 | 8 427 | 9 997 | 11 699 | 12 240 | 15 507 |
| Personal, cultural, and recreational services | 2 993 | 4 289 | 4 977 | 5 331 | 5 722 | 3 460 | 5 400 | 7 936 |
| Other business and miscellaneous services of which: | 33 606 | 38 988 | 39 639 | 42 900 | 41 529 | 41 559 | 45 549 | 54 727 |
| Legal services | 5 142 | 5 749 | 5 081 | 5 472 | 5 854 | 5 407 | 5 356 | 6 667 |
| Accounting services | 2 150 | 2 714 | 2 754 | 3 140 | 3 138 | 3 775 | 3 925 | 5 259 |
| Advertising and market research services | 1 592 | 2 282 | 3 304 | 3 337 | 3 528 | 3 061 | 3 301 | 4 439 |
| Architectural, engineering, and other technical services | 9 188 | 10 667 | 9 575 | 9 592 | 6 682 | 7 627 | 11 519 | 13 723 |
| Total services | 198 100 | 219 719 | 220 370 | 225 239 | 229 759 | 139 631 | 134 876 | 206 915 |

*Source: South African Reserve Bank*

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**Table 2:** Balance of Payment (services, income, and transfer receipts)

| Services R millions | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|
| Transportation (Passenger fares and other) | 79 400 | 80 013 | 80 951 | 85 931 | 89 677 | 63 335 | 76 786 | 132 198 |
| Travel (Business and other) | 38 103 | 41 857 | 43 405 | 44 872 | 45 407 | 14 555 | 14 719 | 36 558 |
| Other services | 82 826 | 102 086 | 96 874 | 93 555 | 102 842 | 106 538 | 109 355 | 128 766 |
| Manufacturing services on physical inputs owned by others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Repairs and maintenance services on movable goods | 46 | 79 | 81 | 54 | 62 | 25 | 4 | 6 |
| Financial and insurance services | 8 240 | 8 927 | 8 191 | 8 871 | 8 356 | 10 365 | 10 817 | 12 912 |
| Charges for the use of intellectual property | 20 981 | 26 735 | 25 089 | 20 280 | 19 599 | 19 644 | 21 445 | 23 775 |
| Telecommunications, computer, and information services | 19 380 | 26 271 | 27 699 | 30 127 | 36 224 | 42 557 | 47 753 | 57 680 |
| Personal, cultural, and recreational services | 293 | 447 | 884 | 1 274 | 2 239 | 2 038 | 2 040 | 2 296 |
| Other business and miscellaneous services of which: | 33 886 | 39 627 | 34 930 | 32 949 | 36 362 | 31 909 | 27 296 | 32 097 |
| Legal services | 1 271 | 1 620 | 1 610 | 1 982 | 1 827 | 2 185 | 2 301 | 2 441 |
| Accounting services | 1 433 | 1 533 | 1 167 | 1 515 | 1 711 | 1 691 | 1 784 | 2 150 |
| Advertising and market research services | 1 746 | 2 362 | 3 321 | 3 842 | 4 212 | 4 171 | 4 433 | 5 258 |
| Architectural, engineering, and other technical services | 13 426 | 17 910 | 12 983 | 11 347 | 13 585 | 11 302 | 8 493 | 10 625 |
| Total services | 200 329 | 223 956 | 221 230 | 224 358 | 237 926 | 184 428 | 200 860 | 297 522 |

*Source: South African Reserve Bank*

In this scenario, examining the published Balance of Payments data is not a fruitful approach for understanding the entire landscape of freight revenue. The essential question to consider, based on the estimated freight expenses, is whether there is an opportunity to secure a larger portion of this freight expenditure and, if so, how this can be achieved. There are two clear strategies that come to mind: increasing the control of cargo (shipment terms) by South African shippers and/or enhancing the transportation of goods via South African vessels by sea. However, it's important to note that the effectiveness of these strategies in positively impacting the Balance of Payments largely depends on the ability to capture a higher proportion of transportation costs within the domestic market, denominated in Rand. It has been demonstrated that, for the most part, South African cargo owners prefer FOB terms for exports and CIF terms for imports, and these shipments are predominantly handled by foreign vessels. When it comes to FOB exports, the overseas purchasers cover the shipping costs, primarily to foreign shipowners. As a result, South African production factors are not engaged in this process, and these transactions are not accounted for in the publicly available Balance of Payments data.

According to the Maritime Charter,[38] the policy recommendation was that the government should educate cargo owners to take a more active role in arranging transportation, encouraging them to utilise INCOTERMS that give them greater control over their cargo. The government should also be encouraged to promote the expansion of local entrepreneurs' involvement in the maritime industry and provide incentives for such participation. What's crucial here is how to tap into the revenue currently earned by foreign ships for transporting goods. An alternative approach, or one that complements this, could involve greater direct participation in ship operation and control. However, it's important to note that South Africa is not currently a major player in ship ownership but rather relies on international maritime transport, which represents a significant expense in South Africa's international trade system. This creates an economic imbalance that, if left unaddressed, will continue to lead to the loss of much-needed revenue.

Jones[39] notes the simplistic argument, frequently advanced in developing countries, that expanding locally owned and operated shipping services will significantly boost the services account of the BOP, on the basis that shifting from foreign

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38 Ibid 3, par 2.

39 T Jones '*The shipping industry and the South African balance of payment*' (University of Natal: Paper presented at National Maritime Conference, Cape Town, 1991).

https://doi.org/10.47348/JOGA/2025/a2

to the domestic vessels will decrease invisible imports and improve invisible exports. He demonstrates, however, that this crude argument requires critical appraisal, since it takes little cognisance of the costs of operating the shipping services. Those simplistic ideas gained great currency in different developing maritime countries and were actively punted in SA in years immediately after World War II, particularly in the advertising campaigns of Safmarine, at the time, the major South African carrying line. It is indeed the case that all the freight receipts received by locally operated vessels in all foreign trades must be considered as effective credits in the current account of the country's BOP, regardless of whether these freights are paid in foreign currency or in domestic currency by residents.

In the first scenario, earnings from domestic vessels clearly represent a fresh injection of foreign exchange, while receipts in Rand may be argued to signify a conservation of foreign exchange that would otherwise have been disbursed to foreign carriers. Nonetheless, the comprehensive impact on the Balance of Payments (BOP) hinges not only on the freight income generated by national ships but also on the foreign exchange outlays they accrue abroad, and the revenues no longer obtained from foreign vessels servicing ports within the country. Goulielmos),[40] demonstrates that the crucial question to consider when trying to gauge the overall BOP impact is, '[t]o what extent does the BOP deviate from what it would have been without the investment in ships? If we apply this fundamental question, we can express the net annual BOP impact of a decision to participate in deep-sea transportation.' Jones seeks to employ this straightforward approach in assessing the activities of the South African shipping sector.

In his pioneering research on the relationship between investment in shipping and the Balance of Payments of the investor nation, Goss has demons[41] traded that investing in ship owning and operations may potentially help to improve the balance of payments, but that this is not a guaranteed outcome, since vessel operating also involves many foreign exchange costs.

40 A M Goulielmos The modern Greek maritime policy 1953–2018: A critical review of its legal, economic and institutional framework. *Modern Economy*, (2018) 9, 1190–1212 available at https://doi.org/10.4236/me.2018.97078

41 Jones op cit note 27 par 2 p 19.

> It may be noted, however, that what is relevant is the freight currently being earned by the foreign ships. If investment in shipping is accompanied by protection, e.g. flag discrimination, which results in higher freight rates in the protected market, it is no longer the earnings of the national-flag ships which represent a gain to the balance of payments: it is the earnings of the foreign ships which could replace them without protection and at lower freight rates.[42]

A correct analysis shows that there is no characteristic in shipping which makes this effect larger than in other industries; and the size of the improvement in the balance of payments is partly dependent on the return on capital.

One of the critical questions raised in this research is '[h]ow to develop a shipping industry if cargo owners (exporters and importers) follow patterns of the Incoterms that do not involve them in transport process (i.e. predominantly FOB exports and CIF imports)?'[43] Jones states that a powerful influence on the prospects for a domestic shipping industry and on the services account of the BOP will be the change in the terms off shipments which are currently ruling seaborne commerce in SA. 'As a simple rule of thumb, it can be asserted that sales affected on the FOB terms give the buyer the right to determine the vessel carrying the commodities concerned, whereas CIF places this responsibility in the hands of the seller.'[44]

## VII CONCLUSION

This research has shown the critical forward path in securing a greater share in this country's import-export freight transportation is likely to be achieved through a greater involvement on the part of shippers in sea transport arrangements, and that a complementary but secondary path may open up if a larger number of vessels were to be owned, managed and operated directly by South African vessel owners and operators.

42 Department of Transport, Part 1 Growth of a South African Maritime Transport Industry, 2011 available at *www.transport.gov.za*

43 A Hajdukiewicz & B Pera 'Factors affecting the choice of Incoterms: The case of companies operating in Poland' (2021) available at https://doi.org/10.15678/IER.2021.0704.03

44 Jones op cit note 27 par 2 p 19.

https://doi.org/10.47348/JOGA/2025/a2

In summary the relationship between the terms and locally owned vessels is not a simple one, and a change in the attitude of exporters towards a higher proportion of C&F sales would not automatically feed further business to South African ship owners. However, that change would certainly strengthen the local shipping industry, for the national carriers would be strengthened to compete more effectively for a larger slice of the transport pie. An increase in the number of exports sales (CIF) and imports (FOB) should also improve the balance of payments.

In the literature review studies by Jones and Kennedy and Lushnikov, both studies concluded that South African exports are sold on FOB terms and imports on CIF terms and that this relationship has a generally negative relationship on the BOP of the country. One the questions mentioned above as to how then to develop shipping industry if cargo owners are not involved is still a gap which needs more research. Jones and Kennedy, on the research about the terms of shipments the surveys which were done shows that most bulk export cargoes (coal, iron ore) are controlled by mining interests whose core business is not shipping, and who are reluctant to involve themselves in transport arrangements since they are ‘miners and not shippers’.[45] The answer to the broad and basic question as to whether it is economically a good idea to carry a greater proportion of South Africa exports and imports in South African vessels is surely a resounding ‘yes’, but any associated positive relationship with the BOP (notably the services and current account of the BOP) will depend upon the success of the shipping industry in absorbing a higher proportion of costs domestically, and in ZAR terms.

## VIII RECOMMENDATIONS

- Advocate for education and awareness programmes aimed at cargo owners (exporters and importers) to take a more active role in arranging transportation.
- Promote the utilisation of INCOTERMS that provide cargo owners with greater control over their shipments, fostering a sense of ownership and responsibility.

[45] K Mathu ‘Logistics implications in the South African coal mining industry supply chain’ (2014) 5(20)*Mediterranean Journal of Social Sciences*.

- Explore ways to shift the trend towards a higher proportion of exports on CIF terms, allowing South African shippers to have more control over the transportation process.

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# NOTES TO CONTRIBUTORS

## I INTRODUCTION

The editors of *Journal of Ocean Governance in Africa (JOGA) – Amalwandle Ethu* ('Our Seas' in isiXhosa) under the editorship of the South African International Maritime Institute (SAIMI), welcome the submission of manuscripts in English for publication, provided that the topic under discussion relates to ocean governance, including the law of the sea and maritime law, as it applies either in the whole African continent, in a specific African region or in one or more African States.

*JOGA* accepts manuscripts of four types. These are:

(a) **Articles**. Articles are the feature pieces of each issue of *JOGA*. They provide a detailed analysis of the topic under discussion. Articles should not exceed 12 000 words (including references). Longer manuscripts will only be considered in exceptional circumstances. All references must be footnoted. Each article must be accompanied by an abstract of not more than 200 words. The abstract should summarise rather than introduce the article. In addition, the article should include appropriate keywords.

(b) **Notes**. Notes are shorter, more focused pieces. They may discuss any specific issue, development, event, instrument or decision of interest to ocean governance in Africa. Notes should be between 3 000 and 8 000 words long. Longer notes are not considered. Notes do not include an abstract or keywords. All references must be footnoted.

(c) **Updates and reports**. Updates are brief descriptions of legal or policy developments which have taken place at the continental, regional or domestic level. Reports are brief summaries of events that have taken place or research that has been undertaken or is in progress. Updates and reports should not exceed 3 000 words. They do not include an abstract or keywords. All references must be footnoted.

(d) **Book reviews**. Book reviews are critical discussions of scholarly books on any topic relating directly or indirectly to ocean governance as it applies either in the whole African continent, in a specific African region or in one or more African States. Reviews should be between 2 000 and 5 000 words long. Longer reviews are not considered. All references must be footnoted.

A manuscript will be considered for publication:

(a) only on the assurance that it has not, in whole, in part or in substance, been published or submitted for publication elsewhere;

(b) on the understanding that it may be submitted in confidence to at least two expert referees for evaluation; and

(c) on the understanding that the editors reserve the right to make whatever changes they consider desirable:

  (i) to bring the manuscript into the house style of *JOGA*;

  (ii) to eliminate errors of typing, grammar, syntax, punctuation, spelling, idiom and the like;

  (iii) to eliminate ambiguity, illogicality, tautology, circumlocution and redundancy;

  (iv) to produce accuracy and coherence;

  (v) to improve the mode of expression and style of writing; and

  (vi) to avoid possible criminal or civil liability.

Authors are required to prepare their manuscripts very carefully to avoid the need for the editors to exercise extensively their right to make changes. In particular, authors are asked to acquaint themselves with the house style of *JOGA* and to check their manuscripts carefully against the guidelines that follow.

NOTE: Regrettably, a manuscript that does not accord with the house style of *JOGA* will be returned to the author(s) immediately, with a request that the manuscript be amended to conform to the house style. The quality of the piece will normally not be assessed before this has occurred.

## II HOUSE STYLE

### (a) General

What follows in this document are the stylistic requirements that most commonly require the attention of the authors and editors of *JOGA*. This document is merely a general guide because it is not possible to cover every possible referencing and stylistic issue. Where this document does not provide assistance, authors are requested to either:

(i) consult previous issues of *JOGA* and to see how a similar stylistic issue has been dealt with;

(ii) consult the main *House Style for Juta Publications*, which may be found at *https://www.jutajournals.co.za/jolga-style-guide/*; or
(iii) contact the editors for advice at Joga@saimi.co.za (the email address for the editing team).

## (b) Matters of presentation and layout

### *(i) Page layout*

The page should have 2.54 cm margins all round (top, bottom, left, right). Line spacing should be 1.15. The text must be right-justified.

All paragraphs (including those that come after long quotations) should be indented except the very first paragraph of a piece and any paragraph appearing immediately after a heading, subheading or sub-subheading.

There is no space after each paragraph except when the paragraph is followed by a heading (in which case there must be two line spaces after the paragraph) or a subheading or sub-subheading (in which case there must be one line space after the paragraph).

### *(ii) Font and type*

A Times New Roman font is used by *JOGA*. The text must be in 12 point font. An 11 point font must be used for all indented quotations, ie long quotations of more than 40 words, which are preceded and followed by a 6 point space. Footnotes must be in 10 point font, with line spacing being 1.00 and the text being right-justified.

Italics are used for emphasis, for case names, names of journals and titles of books, plays, operas and films, names of ships and the titles of paintings and other works of art as well as for web sites and other electronic references. Italics are *not* used for foreign words. All italics in direct quotations are reproduced, however.

### *(iii) Titles of articles, notes, updates and book reviews*

Titles of articles are in italics, right-aligned and always in caps in 14 point font. A line is left between the title and the author's initial(s) and surname, which are not in italics, are right-aligned and in 12 point font. The author's degrees are given in a footnote to the symbol † (and, in the case of a second author, ††) and may be followed, in a separate sentence, by acknowledgements. The author's designation and affiliation appear immediately under his or her name, in italics, 12 point font and sentence case.

Titles of notes are in caps with, if applicable, case names in italics on a separate line. A line is left between the title and the author's initial(s) and surname, which are again in caps. The author's designation appears immediately under the name, in italics and sentence case. Degrees are not given but acknowledgements may be made in a footnote to the symbol † appearing after the author's surname.

Titles of updates are left-aligned and in bold. The first line indicates the relevant State, region or organisation in caps. The second line is in sentence case and contains the title of the update, which may be limited to the title of the relevant legal or policy instrument(s). The author's initial(s), surname, designation and affiliation are given in a footnote to the symbol †.

Titles of book reviews are left-aligned. The first line contains the title of the review in sentence case and in bold. The second line contains the reference to the book reviewed in sentence case and in the format in which the reference would appear if it were in a footnote with, in addition, the thirteen digits ISBN number. The initial(s), surname, designation and affiliation of the author of the review are given in a footnote to the symbol †.

*(iv) Headings*

All headings are left-aligned (other than headings of sections of *JOGA*). Main headings are in caps and bold. The headings in articles are numbered in roman numerals (e.g. 'I INTRODUCTION'). Subheadings and sub-subheadings are in sentence case. (a), (b), (c) are used for subheadings, which must be in bold. *(i), (ii), (iii)* are used for sub-subheadings, which must be in italics. Authors should avoid, wherever possible, going beyond sub-subheadings.

*(v) Lists*

(a), (b), (c) should be used for a list under a main heading and (i), (ii), (iii) should be used for a list under a subheading. Bullet points should only be used under sub-subheadings. Full sentences should start with a cap and end with a full stop. Phrases must start with lower case and end with a semi-colon (and a full stop right at the end of the list).

We use ‘first’ (not firstly); thereafter ‘secondly’, ‘thirdly’.

### (c) Spelling, grammar and other related matters of style or convention

*(i) Spelling and capital letters*

*JOGA* uses the ‘s’ form of English spelling (e.g. recognise, emphasise, analyse, realise, organisation, but assets are ‘realized’). We say ‘in so far as’ and not ‘insofar as’; ‘moneys’ and never ‘monies’.

Capital letters are used in all proper names (e.g. South Africa, Constitutional Court). They are also used in the English official title of legislation and international instruments as well as to distinguish between two different meanings of a word (e.g. ‘Act’ (the statute) and ‘act’ (the deed); ‘Agreement’ (the treaty) and ‘agreement’ (the act of agreeing); ‘Constitution’ (the supreme statute) and ‘constitution’ (the act of constituting); ‘Convention’ (the treaty) and ‘convention’ (the general agreement); ‘Protocol’ (the treaty) and ‘protocol’ (the formalities of a procedure); ‘State’ (the country) and ‘state’ (the condition or position)). Finally, capital letters are used by tradition in a few other cases, such as ‘Parliament’ (the highest legislative body) and ‘President’ (the head of a State).

Please note: Caps are not used for court, appeal court, judge, judge of appeal, committee, board, council, municipality, province, premier, etc. (When in doubt, use lower case.)

**Examples:**
The appeal was upheld by the Supreme Court of Appeal in 2011.
It is likely that the appeal court will turn down the appeal.
In terms of art 3 of the Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water, …
The Nelson Mandela Bay Municipality is facing a number of challenges. Nevertheless, the Municipality has recorded several successes. Likewise, most other municipalities have …
… within the jurisdiction of the Minister of Home Affairs. No other minister may …

> … the already-ratified Conventions could be given effect …
>
> … there has been a 'follow-up' agreement to the 1990 Treaty in the form of the 1998 Protocol …

*(ii) Numbers, dates, percentages, currencies*

Use words for all numbers between one and twenty and for all approximations ('about two hundred years', 'a thousand ways'). Numbers higher than twenty must be in figures.

All numbers in tables and graphs are in figures. So are legislative provisions ('par 4'), ages ('5 years old'), percentages (*JOGA* uses the words 'per cent' in the text ('10.4 per cent'), and only uses the figure % in footnotes, tables and when it appears in a quote) as well as measurements, quantities and amounts ('12 nm', '6 cm', '40 km', 'ZAR 5 million'). It is advisable also to use figures where a lot of numbers appear in a piece, as a consistent style looks better. A space (not a comma) is used in large numbers, as for instance in '42 567'. Where a 'rand and cents' figure is used, the cents should be connoted by a short hyphen ('ZAR 456-45'). For other currencies, use USD, GBP, €, ¥.

A sentence should never begin with figures, ie recast the sentence or use words.

Dates and centuries: 'on the 4th of July 2008' (but 'on 4 July 2008' in Internet references and 'of 4 July 2008' in references to legal instruments); 'in the 1980s' (not 1980's – there is no apostrophe); 'in the 20th century'.

*JOGA* uses the long dash – (known in the publishing trade as the 'em rule') where the author wishes either: (i) to tack a word, phrase or clause onto the end of a sentence for emphasis; or (ii) to mark off a 'by the way' remark in much the same way as a parenthesis, but generally to give it greater emphasis.

> **Examples:**
> His expertise and loyalty are available – at a price.
> A policy shift is necessary to protect third parties – possibly unsophisticated entrepreneurs – who enter into pre-incorporation contracts.

In other circumstances, the short hyphen [-] must be used.

**Examples:**
Jean-Jacques.
Seven-year-old boy.

*(iv) Quotations*

Quotations are reproduced exactly, including all original italics and original punctuation, notwithstanding that the original forms might not comply with the *JOGA* style.

Quotations appear in single quotation marks. Quotations within quotations appear in double quotation marks. Back to single for the rare quotation within a quotation within a quotation.

Short quotations appear as part of the text. Long quotations, ie quotations of more than 40 words, are isolated from the text by being indented from both the left margin and the right margin.

Whenever a quotation is introduced by other words, the quotation should start with lower case (using square brackets to indicate an alteration where necessary). Ellipses need not be used at the start of a quotation but must be used in the middle and at the end of a quotation to indicate missing words. We use three dots for any missing word(s). We do not include in a quotation of up to 40 words the full stop at the end of that quotation. (Thus 'right […]'. and not 'right […].')

### (d) Requirements for referencing standard legal sources

*(i) International instruments*

A reference to an international instrument must include the year of adoption and official name of the instrument (if not mentioned in the text) as well as the reference to where the instrument has been published, including the *UNTS*, *ILM* and *LOSB* references, if applicable. (See below for referencing style in the case where the instrument is only available on the Internet.) In addition, the reference must mention: the date of adoption (date, month and year); the date when the instrument came into effect or the fact that the instrument has not come into effect ('EIF: not yet'); and the status of the instrument with regard to the State(s) concerned (e.g. 'signed in 2002' or 'ratified in 2010'). In footnotes, 'UNGA' is used instead of 'UN General Assembly' and 'UNSC' instead of 'UN Security Council'.

**Examples:**
1982 UN Convention on the Law of the Sea [1833 *UNTS* 3, (1982) 21 *ILM* 1245; adopted: 10 December 1982; EIF: 16 November 1994]. South Africa ratified the Convention in 1997.
2000 Constitutive Act of the African Union [2158 *UNTS* 3; adopted: 11 July 2000; EIF: 26 May 2001]. South Africa ratified the Act in 2003.

Please note: The title of a Protocol must include the title of the instrument to which the Protocol constitutes an addition (e.g. 'the 2008 Protocol to the 2000 Constitutive Act of the African Union on the Statute of the African Court of Justice and Human Rights').

Please also note: Do not abbreviate the word 'section' when it is used to refer to: (a) a division within one of the seventeen parts of the UN Convention on the Law of the Sea; or (b) any similar division within another instrument.

*(ii) Cases*

All case names are to appear in italics. A shortened name should be used consistently in the main text, with the full name and citation being given in a footnote the first time the case is referred to. Additional parties are referred to using 'and Another' or 'and Others').

**Examples:**
*M/V 'Saiga' (No 2) (Saint Vincent and the Grenadines v Guinea)* 1999 ITLOS Reports 10 at 23.
*Broad (Pty) Ltd v Thin* 2008 (4) SA 456 (SCA) 15.

Page references (with marginal letters) may be given. Paragraph references must be provided when paragraphs are numbered. If the case is not reported in a published set of law reports (either at all, or has not as yet been published in this manner due to the decision being very recent), the author should please provide some form of citation for the purposes of reference. This could be a JOL or JDR citation, or a neutral citation used by the courts and SAFLII.

With the proliferation of electronic databases and neutral citations, there is less and less call for an author to refer to a case as being unreported. However, where it is necessary to do so, the *JOGA* uses two basic styles for unreported cases, the date being the date of judgment: '*Dlamini v Jacobs* (NPD) unreported case no 98/05 of 3 August 2006' or '*Dlamini v Jacobs* (NPD) unreported case no 98/05 (3 August 2006)'. In addition, the placement of the word 'unreported' may be varied in accordance with the structure of the sentence, e.g. 'in the unreported case of *Dlamini v Jacobs* (NPD) case no 98/05 of 3 August 2006 …'.

A full set of standard case abbreviations and citations may be found in the *House Style for Juta Publications*.

*(iii) Books*

All the author's initials and surname must be given as they appear on the title page of the book or on the title page of the chapter / relevant page of the article. For instance, 'John D Smith' must appear as 'J D Smith' and not as 'John D Smith' or 'J Smith'.

In a reference, the co-authors of any work (book, article, chapter, whatever) take an ampersand (e.g. 'J Smith & M Dlamini'). We cite up to three authors (e.g. 'J Smith, M Dlamini & R Pillay'). Thereafter use 'et al' (e.g. 'J Smith et al'). Avoid as much as possible to refer to authors in the text (rather give whatever credit is required in a footnote).

If the named persons are the authors of the book, then no more need be said. But if these are the editors, then the abbreviation (ed) or (eds) must appear after the last surname.

Book titles take the title case and appear in italics. If it is the first edition of the book, then no edition need be referred to; it will be assumed that it is the first edition. If the book is in an edition after the first, the number of the edition must appear after the title ('2 ed', '3 ed', '4 ed', not '2nd ed', '3rd ed', '4th ed').

The year of publication must appear in brackets after the title (in the case of first editions) or edition.

The precise page number(s) where the authority was found comes next, if necessary. If the book operates by numbered paragraphs (which may be connoted either by 'par' or by '§'), then this will be a sufficient reference. If it is necessary to refer to both paragraph and page, then do so as follows: 'par 27 at 160'. This latter method should be used only where absolutely necessary. Where the reference is generally to a chapter in the book, this should be indicated by using the whole word (not ‘ch’).

**Examples:**
John D Smith & Sipho Dlamini *Hand’s Law of Arbitration* 5 ed (2006) 115.
P Q R Boberg *The Law of Delict: Aquilian Liability* (1984) chapter 3.

*(iv) Chapters in books*

Where an author refers to a chapter in a book written by a specific author (most commonly in a book constituted of chapters by experts on a common theme and which have been collected and edited by a general editor or editors), then both the chapter and the book must be referenced in full the first time the work is cited.

The author must be referred to exactly as he or she was in the book and the titles of chapters in collections are always in sentence case and roman. The book is to be cited as above.

**Example:**
M Bear & D Bear ‘Too hot, too cold, just right?’ in M Goldilocks (ed) *The Politics of Cookery* 3 ed (2004) 23–27.

Some works (especially encyclopaedias and loose-leaf books) can give problems. Try to follow this style:

A J Kerr ‘Lease’ in W A Joubert (founding ed) *The Law of South Africa* (1999) XIV first reissue par 164.
Joe Bloggs ‘Executive government’ in S Woolman et al (eds) *Constitutional Law of South Africa* 2 ed (Service 12) 6-18.

*(v) Journal articles*

All the author’s initials and surname must appear exactly as they appear in the journal being cited (the rules apply as for books).

The title of the article must appear in sentence case, in roman, and within single inverted commas.

The year (in brackets, except where there is no volume number), the volume (where relevant), the issue (in brackets and only where page numbers start again at page 1 in each issue) and the title of the journal must be supplied. The title of the journal must be in italics.

The names of journals should only be abbreviated in the following cases:

| | |
|---|---|
| AGR | African Geographical Review |
| AJICL | African Journal of International and Comparative Law |
| AJIL | American Journal of International Law |
| AJLS | African Journal of Legal Studies |
| AJMS | African Journal of Marine Science |
| ASR | African Security Review |
| AYIL | African Yearbook of International Law |
| CILSA | Comparative and International Law Journal of Southern Africa |
| EJIL | European Journal of International Law |
| ICLQ | International and Comparative Law Quarterly |
| IJMCL | International Journal of Marine and Coastal Law |
| ILM | International Legal Materials |
| JAL | Journal of African Law |
| JAUS | Journal of African Union Studies |
| JIML | Journal of International Maritime Law |
| JMA | World Maritime University Journal of Maritime Affairs |
| JMLC | Journal of Maritime Law and Commerce |
| JSAS | Journal of Southern African Studies |
| LA | Law in Africa |
| LMLJ | Loyola Maritime Law Journal |
| MLJ | Maritime Law Journal |
| MP | Marine Policy |
| OCLJ | Ocean and Coastal Law Journal |
| OCM | Ocean and Coastal Management |
| ODIL | Ocean Development and International Law |
| OY | Ocean Yearbook |
| RAAMT | Revue Africaine des Affaires Maritimes et des Transports |
| SAJIA | South African Journal of International Affairs |
| SAJMET | South African Journal of Maritime Education and Training |
| SAJMS | South African Journal of Marine Science |
| SAYIL | South African Yearbook of International Law |

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| TMLJ | Tulane Maritime Law Journal |
| UNTS | United Nations Treaty Series |

The numbers of the first and last pages always need to be indicated, followed, if applicable, by the number of the page(s) being referred to.

**Examples:**
G Abraham ‘Lines upon maps: Africa and the sanctity of African boundaries’ (2007) 15 *AJICL* 61–82.
E de Coning & E Witbooi ‘Towards a new “fisheries crime” paradigm: South Africa as an illustrative example’ (2015) 60 *MP* 208–215 at 211.

*(vi) Theses*

D B Hamman *River and Maritime Boundaries between South Africa and Namibia* (unpublished PhD thesis, University of Cape Town, 1991) 134.

*(vii) Newspapers*

Angela Jones ‘Nuclear reactor in trouble’ *The Star* 24 May 2005 at 2.

*(viii) White papers, etc*

The White Paper on Energy Policy (GN 3007 in *GG* 19606 of 17 December 1998).

*(ix) Law Commission papers*

South African Law Commission Issue Paper 20 (Project 123) *Protected Disclosures* (2002) par 3.

South African Law Commission Discussion Paper 107 (Project 123) *Protected Disclosures* (2004) par 56.

South African Law Commission (Project 123) *Report on Protected Disclosures* (2007).

*(x) The South African Constitution*

The long citation (used when referring to the Constitution for the first time) is simply ‘Constitution of the Republic of South Africa, 1996’. The interim Constitution is ‘the Constitution of the Republic of South Africa Act, 1993 (Act 200 of 1993)’.

*(xi) Legislation*

Give the short title and year in the text (e.g. 'the Maritime Zones Act, 1994' or 'the Maritime Zones Act, 1994 (MZA)' (when you are referring to the Act and/or its specific provisions more than once)) and indicate the number and year of the statute in a footnote (e.g. 'Act 15 of 1994'). Thereafter, use the acronym (e.g. 'Section 4 of the MZA', 'See s 5–6 of the MZA').

Use abbreviations for 'section', 'subsection', 'paragraph', 'subparagraph' and 'article' (but never at the start of a sentence): section = 's', subsection = 'ss', paragraph = 'par', subparagraph = 'subpar', article = 'art'. The abbreviations are the same for the plurals. Please note that the above words are not abbreviated when they are not referring to a legislative provision.

Use 'annex', 'appendix' 'chapter', 'part', 'schedule' and 'title'.

*(xii) Delegated legislation*

A proclamation is cited as follows: Proc R46 in *GG* 24567 of 31 January 2003.

Regulations are cited by referring to the notice in which they appear, e.g. 'the Merchant Shipping (Navigation Bridge Visibility) Regulations, 2004 (GN R1199 in *GG* 26878 of 15 October 2004)'. A regulation is abbreviated to reg, as in reg 5(1) (but not at the start of a sentence).

*(xiii) Internet references*

Wherever possible, a published and authoritative source should form the basis of a reference. When it is not possible, authors may refer to websites, provided that the authors consider carefully how authoritative the source of the information is before using it.

Where an Internet reference is to be used, it must appear as follows:

> **Example:**
> African Union 'Decision on maritime security in Africa' (AU Doc. EX/CL/Dec. 60 (III) 2003, available at *http://www.au.int/en/sites/default/files/ex%20CL%20DEC%2020%20-%2074%20(III)%20_E_0.pdf*, accessed on 16 September 2013).

North Atlantic Treaty Organisation *Operation Ocean Shield Fact Sheet* (2012) (available at *http://www.nato.int/nato_static/assets/pdf/pdf_topics/1889-12_Factsheet_OOS_en.pdf*, accessed on 17 December 2013).

Please note: the URL must appear in italics, in black and must NOT be underlined.

When it is not possible to ascertain the date of the document or page to which one refers, '(no date)' must be used after the title of the document or page.

Where an author has accessed a published source on the Internet (e.g. a journal article accessed through WestLaw), the original citation should be given, and there is no need to refer to the URL. The exceptions to the above rule are newspaper articles accessed from the Internet, or resources such as law commission reports etc. from other countries, which may not be obviously or easily accessible to interested readers. For convenience, authors are strongly encouraged to give a URL reference over and above the reference to the published source.

### (e) The use of footnotes

Authors are encouraged to use footnotes to elaborate on points that would otherwise clutter the main text of the contribution. The other important purpose of footnotes is to provide the relevant references without cluttering the text.

In footnotes, a reference to any authoritative source (which must comply with the house style described above) is given once in full. Apply the relevant requirements for referencing standard legal sources (see (d) above).

Thereafter a book, chapter, journal article, newspaper article, law commission report, thesis will be cited by author(s) and a cross-reference (using 'op cit') to the FIRST footnote, where the full reference appeared. An abbreviated reference to the work may be used to provide further guidance where appropriate (e.g. several of an author's works are cited sporadically in an article).

**Examples:**
Smith & Dlamini op cit note 5 at 67.
Dugard *International Law* op cit note 13 at 234.
See Ali op cit note 14 at 33, who expresses … .

Cases are also cited using the cross-referencing method, but 'supra' is used.

**Examples:**
*Nottebohm* supra note 12 par 34.
Supra note 16 at 365G–H.

For consecutive references to the same work, 'ibid' is used with or without a page number or paragraph reference as appropriate.

**Examples:**
Ibid.
Ibid at 45.
Ibid par 45.

### (f) Miscellaneous

A name should appear in full before any acronym is used for it. The acronym must be introduced immediately after the full name it is referring to (e.g. 'the Benguela Current Commission (BCC) governs …'). (*JOGA* uses 'LOSC' for the 1982 UN Convention on the Law of the Sea and 'UNCLOS I', 'UNCLOS II' and 'UNCLOS III' for the UN conferences on the law of the sea.) However, this does not apply, in the footnotes, to acronyms that are very well known (e.g. AU, BRICS, EAC, ECOWAS, EEZ, EU, FAO, ICJ, ILO, IMO, ITLOS, NGO, OAU, PCA, SADC, UN, UNEP and US or USA).

If at all possible, avoid starting a sentence with an acronym or any other kind of abbreviation.

Where an entire sentence appears in parentheses, the full stop is placed inside the second bracket. (Here an entire sentence is bracketed.)

When giving starting and ending page numbers and paragraph numbers, do not remove figures (e.g. '34–35' and not '34–5').