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12 October 2021

The Chairman
Ports Regulator
Private Bag X54322
Durban
4000
E-mail: comments@portsregulator.org

Comment on The National Ports Authority Tariff Application 2022/23 – 2024/25

Dear Sir

Cement & Concrete SA (CCSA) represents South Africa's major cement producers, including AfriSam, PPC, Lafarge and Sephaku. The local industry has capacity to produce around 20 million tonnes per annum but is currently only producing around 13 million tonnes. The cement industry faces a huge threat from low cost imported cement and clinker primarily from Pakistan and Vietnam which is currently in excess of 1 million tonnes per annum.

South African cement producers have to comply with a Mining Charter, Transformation targets, Social and Labour plans all of which the importers do not have to comply with. In addition, local producers are subject to Carbon Tax which the importers are exempt from.

Should these cheap imports continue, there are local jobs on the line and as most cement production facilities are in rural areas, should they close, whole communities will be affected.

Cement & Concrete SA has embarked on a number of initiatives to counter these threats which include:

- A Safeguard application to the International Trade and Administration Commission (ITAC) for a general import tariff on cement and clinker.
- Application for a Sunset Review of the anti-dumping tariffs imposed on Pakistani cement in 2015. This investigation has been initiated by ITAC.
- Application for "designation" of cement through the Department of Trade, Industry and Competition (DTIC). Designation was approved by National Treasury and will be effective from 4 November 2021.

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Cement & Concrete SA takes note of the National Ports Authority Tariff Application for 2022/23 – 2024/25 and is pleased to note that it is the stated intent to work towards ensuring that Port charges ultimately reflect the actual cost of providing the various assets and services. We request that this is met with no possible cross-subsidisation of different services. This will ensure that cement and clinker importers pay their fair share of port tariffs and do not enjoy subsidised tariffs.

The Transnet Ports Authority must also be consistent in dealing with environmental issues at different ports including dust, as this does not seem to be the case currently.

Cement & Concrete SA is aware of the severe congestion at some of South Africa's ports, and as there is sufficient surplus cement capacity from the local cement industry, consideration should be given to prioritising the offloading of more urgently needed or critical commodities rather than cement and clinker. This will not only benefit the recipients of critical commodities, but also support the Government's drive to encourage localisation.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'B D Perrie'.

B D PERRIE

Chief Executive Officer

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