



Date: 15 October 2021

TARIFF APPLICATION 2022 / 23 – 2024/25 SUBMISSION

To:
The Chairman
Ports Regulator of South Africa
Private Bag X54322
Durban
4000

RE: National Ports Authority Tariff Application 2022 / 23 – 2024/25

The Maritime Business Chamber (formerly known as the ECMBC) on behalf of the emerging small businesses hereby submits its comments in line with the for the National Ports Authority Tariff Application 2022 / 23 – 2024/25.

We welcome this opportunity for us to share the view of the small businesses which will allow the Ports Regulator South Africa (PRSA) to make a decision that is more accommodative and that is in line with the direction of our country with regards to the Nation Ports Authority.



The Maritime Business Chamber submits this document at time the country and the world at the large is going through health pandemic and an economic crisis which requires governments to be more sympathetic and decisive in implementing its strategies. This now addresses the TNPA that is more focused on maximising it's revenue while it's efficiency is not stable but rather calls for serious scrutiny and collective interventions that will lead to efficiency.

We reiterate a point we raised in our previous year submission that we believe in order for the National Port Authority to fully realise its function of being a change agent (as its one of its functions) it needs to apply a lenient approach towards the small and emerging businesses (particularly black) who are either already operating or are entering the industry while tightening a firm grip on industry big players whom are now also occupying the space of the small businesses.

While we understand and support the premise approach of tariff methodology, we seek to register that the proposed percentage increase in areas that affect small businesses must be addressed in manner that classifies such businesses as Targeted Enterprise {TE} (Small, Medium and Micro-Enterprises "SMME" with 51% black ownership including ownership by women and youth specifically black according to South African description). While the country has done away with a set aside, the South African Economic Reconstruction and Recovery Plan which is aimed at stimulating equitable and inclusive growth it talks of 'Facilitation and Intensification of SMME participation', the Port Regulator must establish a special rating for NPA that relates to '**Facilitation and Intensification of SMME participation**', such must form part of the record of decision in approving their Tariff Application.



While the Record of Decision for Tariff Year 2021/2022-2023/2024 introduced the reduction of all licence fees by 30% such a decision was welcomed but a further proposal is submitted as 'All' means that no exclusion of privileged with access finance, we therefore call the PRSA together with DoT and DPE to accommodate a 50% reduction to Small Businesses in particular those that are 51% Black owned/Woman owned/Youth owned/Military Veterans and People with Disability as this will be means to driving the facilitation of SMME participation. This Licence Application process must also be closely monitored as requirements by NPA are also a barrier to entry and NPA process is not standardized each Port follows its own process with their own time frames. (We want to register that there have been efforts taken by the NPA to hold Licence works which went well but it's the actual process and requirements that still frustrates small businesses). We raised the 50% reduction extensively as costs for Licence Application are not only of the Port fees there are other associated costs.

The BBBEE Levels requirements by TNPA needs to be monitored as a BBBEE Level 4 does not exchange to ownership empowerment. PR must monitor the NPA on how they have for many years not followed on port users who have a BBBEE that is even higher than Level 4 as those are supposed to rectify such with stipulated time frame of which many have not does no and NPA has done nothing about them according our knowledge.

On Marine Tariffs:

While we take note of the current economic challenges caused by the COVID-19 Pandemic a discount for South African Flagged vessels as a commercial vessel registered in South Africa in 2018-2021 must be afforded at 30% year on year up to 31 March 2023 as this will assist the SA ship registry program.



Marine Charges and Cargo Dues:

A relief for in these activities is largely needed even though the current regime of Shipping Agencies is not accommodative of Small Businesses particular 51% Black Owned companies that are not fronting, an increase in marine charges and cargo dues places our already uncompetitive ports in a disadvantaged position as port users get more discouraged to use our South African this then means loss of income for the country. Our ports will become white elephants if this is not given serious consideration.

In the past months we have seen a decline on vessels calling for bunkers and/or stores and/or water this then calls for the PRSA to further allow discounts for these vessels to 65% and increasing the hours to 72 hours. This should include a reduction of 40% for vessels not engaged in cargo working for the first 30 days only, bona fide coasters, passenger vessels and small vessels.

In Conclusion:

Transnet has always projected a high CAPEX while no invest of such, we acknowledge the new leadership TNPA and would want to give the new CE Mr Pepi Silinga an opportunity to implement his turnaround strategy. TNPA now that is being commercialized as an independent body from the Transnet Group we hope it will be more firmer on Transnet Port Terminals (TPT) as TPT has for the many tariff year been the weakest link in the efficiency of TNPA. A quick turnaround time would mean more vessels to our ports and more revenue to TNPA.

The core concern of TNPA must not be about Tariff Increases but that of Ports Efficiency as our neighbouring countries are taking much of business due to high cost of our ports, low vessel turn-around time and non-infrastructure development/upgrading.



SMME's are the viewed as key drivers of employment in most economies, a more focused approach on the facilitation of the participation of small businesses in needed and such must be tabled as a KPI for NPA for each Tariff year and PRSA must closely monitor it with DoT and DPE.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'Unathi Sonti', written over a light blue circular background.

Unathi Sonti
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