

## The South African Maritime Business Forum



[www.sambf.org.za](http://www.sambf.org.za)

The Chairperson

15 October 2021

Ports Regulator of South Africa

Private Bag X54322

Durban4000

Dear Sir/Madam,

### RE: NATIONAL PORTS AUTHORITY TARIFF APPLICATION 2021/22

The South African Maritime Business Forum (SAMBF), the chosen Unifying Voice of the Maritime Sector as charged by the Comprehensive Maritime Transport Policy (CMTP), The SAMBF drives transformation in the Maritime Industry, The definition of Transformation according to the SAMBF means Access to Market, Access to Funding and Access to Capacity development. We are talking to hindrances, red tapes and blockages, especially to the previously disadvantaged Black SMME's, Women and Youth and people living with disabilities, we hereby submit our proposal in line with the methodology presented for the **National Ports Authority Tariff Application 2021/22**.

The SAMBF would like to thank the Ports Regulator for the opportunity to submit its input which is more directed on how the small businesses community can also be accommodated in the consideration of the National Ports Authority Tariff Application for the period 2021/2022.

The SAMBF believes that in order for the National Port Authority fully realize its function of being a change agent it needs to implement the National Ports Regulations of 2007 which were signed by the former minister of Transport Mr. Jeff Radebe about fourteen years ago. The regulations addresses what the SAMBF has been advocating for since its formation which is the following;

#### 1. Economic Participation and empowerment of historically disadvantaged groups in port operations

I do want to be specific here, terminal operators must reflect blacks, women, youth and people living with disabilities, 14 years down the line, multinationals are still in charge, that is because the BEE Codes are optional, the SAMBF have started a process for Maritime Sector BBBEE Charter Codes and Scorecard where it will be mandatory for the Maritime Industry to use our sector codes. When we talk empowerment that is only when you get trained for a job and they are not forced to absorb you. We need empowerment of the previously disadvantaged SMME's so they may own companies in the ports and have shares for ownership within companies in the ports which are not BBBEE Compliant. We need for these companies to have opportunities in Stevedores, cross dock facilities and all TNPA Ports

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operations. We need to be part of TNPA Procurement to ensure that our members get a share of the cake which currently benefit only multinationals.

### 2. Economic Participation in port operations

Let us remove red tapes in licensing, the bunkers license must have a clause that says, they cannot let multinationals use their licenses so that our South African businesses should have market. SAMBF wants to participate in this licensing framework so that it must not be used to close other SMME's outside of the opportunities. We need incentives from our government to assist those license holders to be able to offer good services and avoid oil or fuel spillage in our waters. SAMBF Advocates that South Africa must own her territorial waters and we believe that it is possible and it can start by us owning our own ports first. I had a look at the BEE Status of tenants in the TNPA warehouses and workshops, more than 90% were not compliant and most were multinationals. SARS is also losing tax revenues, which is why SAMBF is saying that all companies doing business in our territorial waters must have a bank account and an address in South Africa. SARS has also indicated that Multinationals, most of them bank money with themselves and then fly it to their countries through their embassies.

Let me also speak to trade, the import and exports. SAMBF had spoken to TNPA in terms of set aside cargo, we say, 40% of cargo leaving and coming into the country, that business must be given to South African Freight Logistics companies to clear with customs and deliver to the customer using the CIF Incoterm. That is what we call localization in the freight industry, TNPA is correctly suited to assist with the set aside, they may communicate that to importers and exporters, we are speaking to SARS in terms of Cross Border and Airfreight but they told us that we need home affairs as well, well SARS, same as TNPA, they may speak directly to the importer and the Exporter as SARS applies its own AEO Program.

### 3. Rules of procedure for Port Consultative Committees

The department of Transport told us that they are still changing legislation that will allow SMME's to be part of the PCC. As we look at the members of the PCC we see associations and individual companies and then we ask ourselves, why not us. May we ask the department of transport to attend to this matter urgently, as it is 14 years old. We represent the entire industry and therefore, we need to be part of the PCC.

### 4. Access by the regulator to the confidential information of the Authority

We want to agree with this notion, after all, the Ports Regulator is the Economic Regulator. They need to help the Authority to effect Transformation and remove the Bureaucracy and Red Tapes in order to make it easy for South Africans to do business in the maritime sector and facilitate inclusive economy.

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### 5. Ports Limits

The development of ports is imperative, we also are looking for opportunities in terms of infrastructure development. The CMTP policy statements focus mainly on opportunities related to port operations which may bring growth to our Sector thus contribution to the GDP of the country. We have targeted the Durban Port as the entry to Africa, thus the development pronounced by the president will put us as number one preferred port in the whole of Africa. I had a chat with NAAMSA one day and they were concerned to say, that Durban Port is unable to cater for their goods and they are now using Mozambique. That Limitation needs to be addressed as in yesterday.

Yours Sincerely,

Mr. Kgomo Mogale

Director for Transformation

South African Maritime Business Forum