

PORT TARIFFS FOR 2015/2016 ANNOUNCED

Written by Tracy
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The Ports Regulator of South Africa has made a ruling on the port tariff for the period 1 April 2015 to 31 March 2016 and indicative tariffs for the following two years.

It is the first tariff assessment since the introduction of the multi-year tariff methodology and signals much greater levels of transparency and consistency in port tariffs than before.

Tariffs will increase by an average of 4,8%, almost half of what was proposed by Transnet National Port Authority.

All cargo dues for 2015/16 are to increase by 3.55%, except, Dry Bulk Cargo Dues for Coal, Iron Ore and Manganese which are to increase by 6.00%. Marine Services and related tariffs (sections 1-8 of the tariff book excluding section 7 that deals with cargo dues) are to increase by 6.00%.

In conducting its assessment the Regulator took a view on a number of cargo volume and market related factors, including the inflation outlook and the cost of debt, the operational requirements of the NPA as well as relative port pricing benchmarking and is confident that the Record of Decision reflects a balanced and sustainable average tariff increase, whilst ensuring the sustainability of the South African port infrastructure system.

In addition, the Regulator took cognisance of the expected subdued economic activity over the tariff period and will if required, use the ETIMC to maintain overall average tariffs close to the inflation target band as defined by the South African Reserve Bank mandate.

The Regulator is committed to reducing the cost of doing business within the port system and the below inflation increase of more than 80% of all cargo dues whilst addressing areas of imbalances in the tariff system elsewhere is considered the most prudent course of action for the 2015/16 period.