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NPC: 2016 / 276565 / 08



29 September 2020

**The Chairperson
Ports Regulator of South Africa
Private Bag X54322
Durban
4000**

Dear Sir,

Re: Ports Regulator of South Africa – SMME Approach

The Eastern Cape Maritime Business Chamber (ECMBC) on behalf of the emerging small businesses hereby submits its proposal in line with the methodology presented for the **Tariff Application 2021/22**.

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

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 a 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).

The Targeted Enterprises (TE) must be engaged differently in a developmental manner than the already established businesses (including international businesses) that are financially able to comply with the ports tariffs once the application process is concluded.

This proposal approach for this application wishes to also extend to current tariffs and application processes for take-on and on-boarding.

EASTERN CAPE MARITIME BUSINESS CHAMBER (ECMBC)

Executive: Unathi Sonti; Xhantilomzi Lamani; Nondumiso Mfenyana;
Nonceba Kwaza; Lungisa January;

We firstly wish to highlight the following which we list as the barriers to entry:

- SMMEs participation within the port space a challenge whilst legislation is supportive of meaningful BBBEE.
- High TNPA Tariff Fees for new-entrance in field with a long process that could take approximately 12 months until one gets their license. (Now there are even new tariffs that are being introduced e.g. to supply lubricants you must pay the same R38 000 as a Bunkering Operator). Ports in one city with close-proximity (20 km) but one must have a license for each port.
- Fees to acquire certain licenses such as drone pilot.
- Non regulation of shipping agencies (shipping agencies carry the power to empower their preferred businesses).
- Non – transformation policy in the sector (Level 4 BBBEE is not transformation).
- Being subjected to be registered with one association (that is SAASOA) to acquire some license at TNPA and association that does not have the interests of the SMME’s particularly the historically disadvantaged.
- This submission is made for both the basic groups of Authority’s services as our constituency engages or wishes to engage in both port infrastructure and operational services for port users.

We clearly understand functions of revenue streams of the National Port Authority and believe upon proper engages to outline a clear implementation methodology for the consideration of the Targeted Enterprises in this Tariff Application will create a more conducive environment for SMME’s as it is our vision to be a developing, inclusive, progressive and advancement of the transformation agenda chamber for maritime enterprises.

We therefore proposed the following process:

- Intervention required with the Tariff Methodology and Tariff setting: The Port Regulator requested to relax fees for new entrances with either a term of payment so enabling SMME’s to start operations.
- Compliance and Oversight required: Industry regulation as it is the government policy to procure a minimum of 30% work to SMME’s.
- Government or TNPA must change the requirement of Level 4 BBBEE to Level 2 to ensure localization and transformation takes place.
- Clear implementation methodology for the consideration of the Targeted Enterprises in this Tariff Application will create a more conducive environment for SMME’s as it is our vision to be a developing, inclusive, progressive and

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transformative chamber for maritime enterprises with a focus on competent emerging

We therefore request a serious look into our businesses in the application processes and we wish that between us and all parties involved in business at our National Ports a joint seating can be arranged to that an amicable approach can be designed and implemented in line with our conclusion:

- ECMBC sees itself as a pivotal player in building of a bridge between resources and SMME's in the Maritime space.
- ECMBC, is taking a stance of not only focusing on issues of lobbying, advice, advocacy etc.; but to create opportunities for business engagements as well as creation of employment and partnerships with relevant stakeholders from both public and private sector (locally and international as the Maritime Industry is international). Our clear view is one of ensuring that SMME's through our chamber programs, are able to contribute to the growth of the province economy.
- South Africa is well positioned to be a key participator in the sector with its 2798 kilometres coastline but needs to be thoughtful and practical, rather than theorizing solutions on SMME participation.
- ECMBC commits itself to put all its energy on activities that will bare fruits to the lives of the people whom we are leading.

The chamber is clear that the potential of our country can lead to a preserving of quality life to make the South Africa as a premier destination for development and economic growth experience, creating both the perception and reality that South Africa is the place to live, shop, work and invest.

Yours Sincerely,

Unathi Sonti
Chairperson
Eastern Cape Maritime Business Chamber (ECMBC)

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