

12 September 2016

The Chairman
Ports Regulator
Private Bag X54322
Durban
4000

Sent by electronic mail to: tariffcomments@portsregulator.org

Dear Mr Phakade Sicwebu

National Ports Authority Tariff Application for Financial Year 2017/2018

1. We refer to your email of 5 August 2016 in which you informed stakeholders that the National Ports Authority of South Africa had submitted its tariff application to the Ports Regulator of South Africa for the 2017/2018 financial year.
2. It is our understanding that the National Ports Authority generally gives an indication of a previous or current year's performance, the following year's budget, and a forecast for a number of the following years, so that they can plan their goals for short to medium term and determine their projected profitability over an extended period, and also give the stakeholders an opportunity to plan and budget ahead.
3. It is also our understanding that the current Tariff Methodology will expire at the end of the 2017/2018 financial year, and that the new Tariff Methodology for the following financial years has not yet been finalised and published. If our understanding is incorrect, please advise.
4. We welcome your invitation to submit written comments and proposals on the tariff application. We have studied the National Ports Authority's tariff application and we noted a few issues that need clarity from the National Ports Authority.

5. We note that the National Ports Authority's tariff application for the financial year 2017/2018 also includes future projections for the financial years 2018/2019 and 2019/2020. The tariff increases requested by the National Ports Authority for the Revised Marine Revenue are 8%, 25.11% and 9.54% for the financial years 2017/2018, 2018/2019 and 2019/2020, respectively (Table 4, page 10 and Table 24, page 47). On the other hand, the tariff increases for the Base Marine Revenue are 9.14%, 23.80% and 9.54% for the financial years 2017/2018, 2018/2019 and 2019/2020, respectively (Tables 20 and 22, page 46).

6. We note that the projected increases for the financial year 2018/2019 are very high in comparison with the other financial years (2017/2018 and 2019/2020). CAIA requests the Ports Authority to clarify on how the percentage values stated in the abovementioned tables were arrived at. In particular, we would like to find out how the Ports Authority arrived at the percentage values of 25.11% and 23.80% for the financial year 2018/2019, as these values are particularly high.

7. We now look forward to hearing from you.

Kind regards



Deidré Penfold
Executive Director