

5 December 2012

The Chairman
Ports Regulator
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Dear Chairman

**RE: COMMENT – 2013/14 TARIFF APPLICATION BY THE NATIONAL PORTS
AUTHORITY TO THE PORTS REGULATOR**

Thank you for the opportunity to comment on the tariff application by the National Ports Authority (TNPA).

Our comments pertain to the following two issues:

1. Page 58: Introduction of a bunker fuel levy

We are concerned about the statement in the application that “this initiative is supported by industry and a R15.00 tariff per ton has been agreed in principle with them”. SAPIA is not aware of any such agreement in principle and objects to the proposed new bunker fuel levy. This proposed R15.00 per ton also differs from the amount in the draft booklet which is stated as R15.81 on page 35.

Although SAPIA supports improved infrastructural facilities at Durban port it is of the view that the introduction of a new bunker fuel levy can increase the perception that South Africa is a high cost provider of bunker fuel which could have a detrimental effect on bunker volumes. A further concern is that bunker suppliers will pay for infrastructure that will then be included in the regulatory asset base for future port charge determinations or will the bunker suppliers be the owners of this infrastructure?

Such a proposed levy requires at least a workshop between TNPA and industry players so that it is clear what the basis for the levy is and what it comprise of and what the potential impact will be.

2. Forecasted volume growth. It is interesting to note that TNPA (on page 50 of the application) expects a petroleum volume growth of 19.8% (38.9 billion liters) from 2012 (32.5 billion liters) while volume growth from 2011 to 2012 was 1.2%. We note TNPA’s comment that they have consulted with various industry players in arriving at forecasts but would like to suggest that an optimistic growth number will be in the order of 4% as opposed to 19.8%.

Should you have any questions and/or need further clarity in this regard, please do not hesitate to contact the undersigned.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tshifularo', written in a cursive style.

Avhaphani Tshifularo
Executive Director