

MARINE AQUACULTURE INDUSTRY COMMENTS ON TNPA TARIFF METHODOLOGY AND PRICING STRATEGY

PREAMBLE

- Aquaculture has been identified as a priority sector in the Government's Industrial Policy and Action Plan 2.
- Aquaculture in Saldanha Bay has to date generated 200 direct jobs on a total of 145 hectares of leases in the Bay, and this figure is increasing steadily. This job creation is directly combatting and offsetting the severe attrition of jobs in the fishing sector in the region.
- Aquaculture is a farming activity producing high-quality seafood which is reducing importation of food into the country as well as having commenced significant exports. This is against a backdrop of declining agricultural production in the country, which has in recent years become a net importer of food.

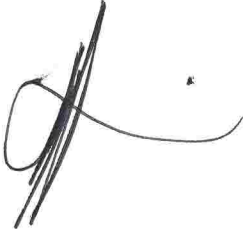
TARIFFS

We have the following responses to the TNPA's proposed methodology and pricing strategy:

1. We appeal to the National Port Regulator to recognise the aquaculture industry as a "special port user" and to give our industry special consideration when determining port tariffs and lease fees.
2. In terms of "cost recovery", we note that the direct cost of our industry to the TNPA is miniscule, being largely restricted to the cost of administering leases, and our tariffs and lease fees should reflect this.
3. In terms of "value-based tariffs" the value in terms of turnover of our industry is very small compared to conventional large industrial port users. The viability of our industry is threatened by current lease fees, which are high by any international standard. In determining future tariffs, this should be recognised and addressed accordingly.
4. In the sense that we are primary food producers, making sustainable use only of the natural ecosystem of the Bay to produce quality seafood, we should be clearly identified as "beneficiators" of natural resources.

CONCLUSIONS

In the light of the above, we strongly urge the National Ports Regulator and the TNPA to assume a constructive developmental role in our industry. The most valuable and practical way that these institutions can facilitate the development of our industry is to create an enabling environment through the establishment of fair and equitable tariffs and lease fees to our fledgling industry.

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AFG TONIN – INDUSTRY ASSOCIATION CHAIRPERSON