



### **Press statement**

On 26 February 2015 Mr Mahesh Fakir CEO of the South African Ports Regulator stated:

“On 1 September 2014 the National Ports Authority (the NPA) applied to the Ports Regulator of South Africa for approval of the tariffs for services and facilities offered by the NPA for the period 1 April 2015 to 31 March 2016 and indicative tariffs for the following two years. This 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.

After considering the application and the submissions by all stakeholders during the consultation period, the Ports Regulator declined the NPA proposed average 9.47% tariff increase and after considering all relevant information at its disposal, the Regulator approved an average tariff increase of 4.8% for the tariff year 2015/16 applicable as follows:

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 takes 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.”

End quote.

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