

# Study to unearth truth about SA's high port tariffs

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RESPONDING to industry complaints that proposed port tariff increases of 18.6 percent are a rip-off, Transnet's National Ports Authority (NPA) has, along with the Ports Regulator of SA, commissioned a study.

The study will involve all major port terminals globally and establish whether claims that South African ports are among the most expensive in the world are true.

NPA chief executive Tau Morwe said yesterday that if the study could provide evidence that NPA tariffs were too high, action would be taken to align its prices with the global average. "We are working with the regulator to find a common approach because right now the regulator has its own approach and Transnet has its own, different from the regulator's," he said.

A global port benchmarking study, conducted by the Automotive Industry Development Centre, in 2007 found that South African ports were among the world's most expensive, costing between 80 percent and 170 percent more than major European ports. It also showed that the charges were eight times higher than Latin America's most expensive port, Buenos Aires.

According to the ports regulator, Transnet was charging \$182 151 (R1.3 million) currently for an average container vessel to dock in Durban, which was more than double the global average of \$86 251.

This year, the NPA has applied for an 18.6 percent increase in the country's port tariffs for the 2012/13 financial year, which exporters have dubbed "unrealistic", especially since Transnet levied cargo dues, a tax that was hardly levied anywhere else in the world on cargo owners.

Yesterday the NPA said that it was working on restructuring its pricing model as part of its long-term goals of ensuring its ports opened opportunities

for new participants.

Morwe said the division met with the regulator on Friday and agreed that any fee adjustment the authority asked for would need to be defended and points to justify it be unyielding.

Meanwhile, Morwe said Transnet would install cranes to improve efficiencies at the Durban port, which would make it the first terminal in Africa to operate tandem lift ship-to-shore (STS) cranes.

Agreements have been concluded with Chinese firm Shanghai Zhenhua Heavy Industries to buy seven STS cranes to replace the terminal's ageing infrastructure.

The cranes would be com-

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**The regulator said Transnet charged twice the global average for a vessel to dock in Durban.**

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missioned on Pier 2 of the container terminal which achieved an average 23 moves per gross crane hour last year, mainly due to breakdowns in port equipment and straddle carriers and cranes.

"The purchase of the cranes will result in improved operational efficiencies and reduced service times. The cranes are also designed to suit the future deepened north quay berths of Pier 2 and be able to easily service the new-generation Megamax container vessels," said Transnet spokesman Mboniso Sigonyela.

The new cranes would be installed in the next financial year and were expected to be operational by 2014.

The cranes can simultaneously handle two 12m containers or four 6m containers with hoisting capability of 80 tons and would make Pier 2 a globally competitive terminal as is the case with Pier 1.