SA business critical of port tariffs plans

South African transport costs are some of the highest in the world, contributed by the year-to-year "uninformed" tariff increases, according to Business Unity South Africa (Busa).

By Andries Mahlangu 18 Oct 2011

In its draft report response to Transnet's National Ports Authority's proposed 18.06% tariff increases, Bus said that without anything to show in terms of world class efficiency standards, system-wide low costs and integration into the global maritime supply chains, the authority has year upon year requested well above inflation tariff increases that have now left the SA economy as one of the least competitive globally and ha become a national developmental liability, very much against its created mandate.

"As a result of these year-upon-year tariff increases, the productive sector of the economy that contributes immensely to economic growth, has shed millions of domestic jobs, has lost international business due to competitive pressures, and is now on the verge of closing down due to the global recession.

"For any country to survive these challenging times, its products and services must be competitively price on international markets," said Busa deputy chief executive, Raymond Parsons.

All interested parties have until next Friday, 28 October 2011, to submit their inputs before the Ports Regulator SA takes a final decision on the tariffs.

Transnet said the authority's application - in the 2012-13 financial year - was based on the need to recover its investment and costs of managing SA's port system.

Shippers Council chairman Fanie Pretorius said the proposed tariffs did not take into account the slowing global economy.

Transnet National Ports Authority is the largest port authority in southern Africa, controlling seven of the 16 ports in the region. These include Richards Bay, Durban, East London, Port Elizabeth, Mossel Bay, Cape Town and Saldanha.