



ECMBC

EASTERN CAPE MARITIME BUSINESS CHAMBER

PRSA Tariff Methodology Presentation Session

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Presentation Outline



- About Us
- Our Mission and Vision - Contextualizing SMMEs
- Transformation in the Maritime Sector
- Regulatory Regime – Realities
- Institutional Structures
- Barriers to entry
- Proposed Solutions
- Conclusion

// ABOUT US



Eastern Cape Maritime Business Chamber (ECMBC) is a registered Non-Profit Company with the aim to address the imbalances and opportunities in the South African Marine Industry representing the interests of all local businesses currently and wishing to participate in the sector.

The chamber has positioned itself to the country's strategic programmes such as National Development Plan (NDP), Operation Phakisa and Comprehensive Maritime Transport Policy and it plans to close the gaps and populate opportunities that need to be created for SMME's in the maritime industry.

OUR MISSION AND VISION



- **OUR VISION:**

To be a developing, inclusive, progressive and transformative chamber for maritime enterprises with a focus on competent emerging businesses.

- **OUR MISSION:**

To be a leading partner of choice in offering a plethora of maritime services that promote job creation, skills development and other maritime business operations.

To provide leadership in linking businesses (domestic & international) for a seamless access to commercial maritime ventures for the growth of the Eastern Cape economy.



TRANSFORMATION IN THE MARITIME INDUSTRY



- Policy direction leaning towards developing emerging businesses or black industrialists.
- Increased efforts by government to promote and uplift SMME participation in the key maritime sector.
- Industry regulation for promotion of localization that will drive job creation and SMME opportunities for partnerships.



Regulatory Framework



Legislation and Policy Environment

- Constitution of South Africa
- National Commercial Ports Policy
- Comprehensive Maritime Transport Policy
- National Ports Act, 12 of 2005
- The Directives
- The Regulations
- **PRSA Regulatory Framework documents:**
 - Tariff Strategy
 - Tariff Methodology
 - Port Tariff Incentive Programme

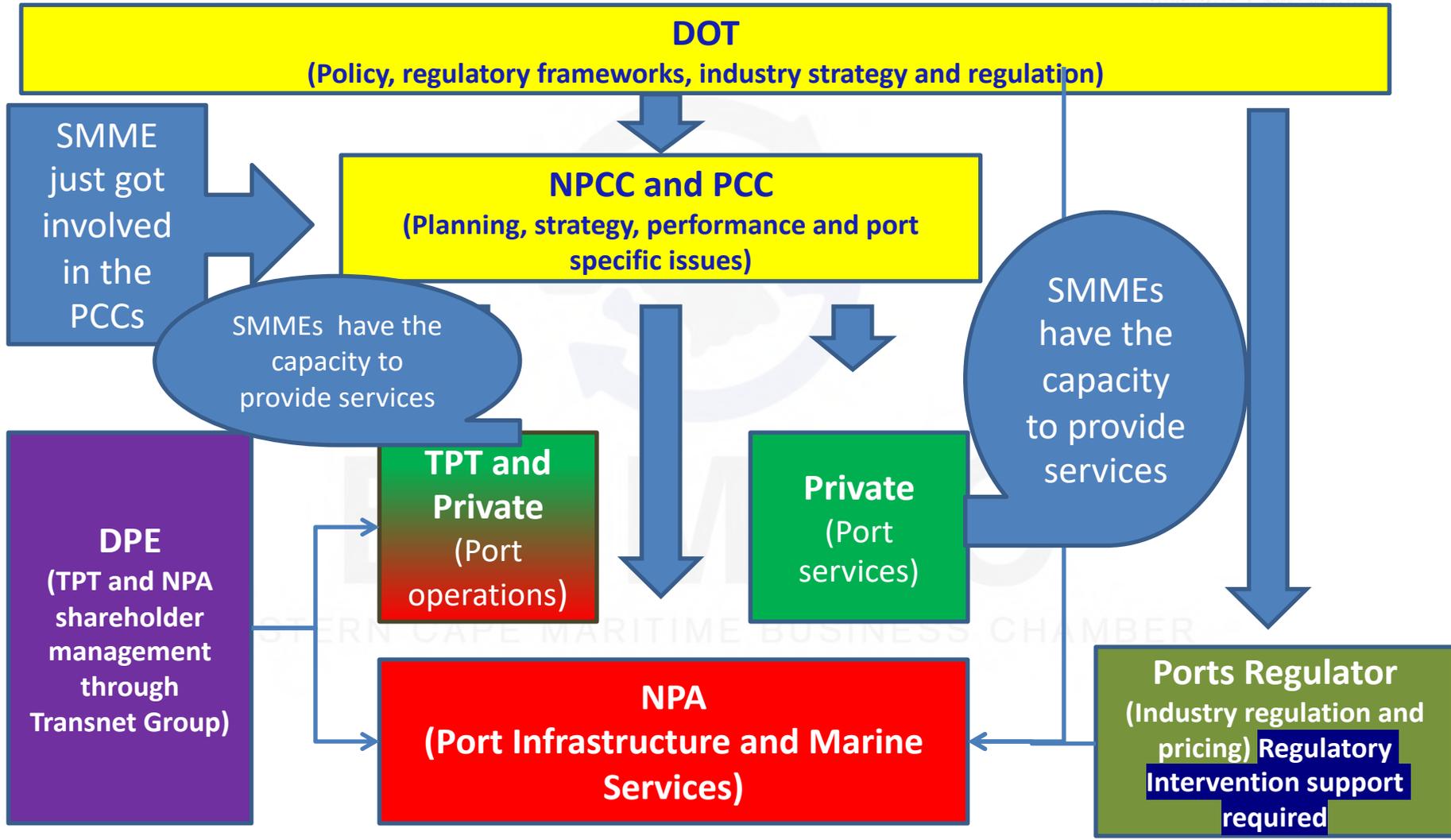
PRSA allow me to borrow this slide from you;
Legislation clearly articulates the role of SMMEs and in particular Black Economic in the port environment

Economic Regulatory efficiency in SA is clearly effective – BBBEE however is yet to become a focus area within the Tariff Methodology and Tariff setting instruments

Institutional Structure



Kindly allow me to borrow your slide again.



|| BARRIERS TO ENTRY

- SMMEs participation within the port space a challenge whilst legislation is supportive of a meaningful BBBEE.
- High TNPA Tariff Fees for new entrance in field with a long process that could take approximately 12 months until one gets their license. (Now there are even new tariffs that are being introduced e.g. to supply lubricants you must pay the same R38 000 as a Bunkering Operator). Ports in one city with close-proximity (20 km) but one must have a license for each port.
- Fees to acquire certain licenses such as drone pilot.
- Non regulation of shipping agencies (shipping agencies carry the power to empower SMME's).
- Non – transformation policy in the sector (Level 4 BBBEE is not transformation).
- Being subjected to be registered with one association to acquire some license at TNPA and association that does not have the interests of the SMME's particularly the historically disadvantaged.



// PROPOSED SOLUTIONS



- Intervention required with the Tariff Methodology and Tariff setting: The Port Regulator requested to relax fees for new entrances with either a term of payment enabling SMME's to start operations.
- Compliance and Oversight required: Industry regulation as it is the government policy to procure a minimum of 30% work to SMME's.
- Government or TNPA must change the requirement of Level 4 BBBEE to Lower Level (even Level 2) to ensure localization and transformation takes place.
- Clear implementation methodology for the consideration of the Targeted Enterprises in this Tariff Application will create a more conducive environment for SMME's as it is our vision to be a developing, inclusive, progressive and transformative chamber for maritime enterprises with a focus on competent emerging businesses.

CONCLUSION



- ECMBC sees itself as a pivotal player in building of a bridge between resources and Eastern Cape SMME's in the Maritime space.
- ECMBC, is taking a stance of not only focusing on issues of lobbying, advice, advocacy etc.; but to create opportunities for business engagements as well as creation of employment and partnerships with relevant stakeholders from both public and private sector (locally and international as the Maritime Industry is international). Our clear view is one of ensuring that SMME's through our chamber programs, are able to contribute to the growth of the province economy.
- The Eastern Cape Province is well positioned to be a key participator in the sector with its 800 km coastline but needs to be thoughtful and practical, rather than theorizing solutions on SMME participation.
- ECMBC commits itself to put all its energy on activities that will bare fruits to the lives of the people whom we are leading.
- The chamber is clear that the potential of the our province can lead to a preserving of quality life to make the Eastern Cape as a premier destination for development and economic growth experience, creating both the perception and reality that Eastern Cape is the place to live, shop, work and invest.

THANK YOU

