

Port Tariff Incentive Programme

*Supporting Beneficiation, Industrialisation, and Localisation
through Port Tariff Regulation*

Application Form

The contents of this form have been developed in line with the provisions of the Port Tariff Incentive Programme (PTIP) as published by the Ports Regulator of South Africa. All applications, reviews, and decisions taken will be in accordance with South African legislation, and State policy and objectives.

All correspondence relating to the PTIP, as well as applications for a tariff amendment may be addressed to the Ports Regulator of South Africa -

11th Floor, The Marine Building, 22 Dorothy Nyembe Street, Durban, 4001

Contact: 031 365 7800. Email: info@portsregulator.org / tariffcomments@portsregulator.org

Port Tariff Incentive Programme (PTIP)
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Port Tariff Incentive Programme																			
Application for an amendment to a tariff line in line with the provisions of the PTIP																			
Summary of Application for Public Comment																			
General:																			
Name of Organisation	Osho Cement (Pty) Ltd																		
Relevant Industry	Manufacturing																		
Description of Goods Handled / Type of Business	Cement clinker used in cement production along with granulated blast furnace slag, gypsum and limestone.																		
Tariff Details:																			
Current Tariff																			
Year	2017/2018																		
Applicable Tariff Category	<table border="1"> <thead> <tr> <th>Page Number</th> <th>Section</th> <th>Item of import</th> </tr> </thead> <tbody> <tr> <td>7.1</td> <td>Introduction</td> <td>Granulated Blast Furnace Slag</td> </tr> <tr> <td>7.1</td> <td>Introduction</td> <td>Limestone</td> </tr> <tr> <td>7.4</td> <td>2. Dry Bulk. 5. Cement & Clinker</td> <td>Clinker</td> </tr> <tr> <td>7.4</td> <td>2. Dry Bulk. 14. Gypsum & products thereof</td> <td>Gypsum</td> </tr> <tr> <td colspan="3">*TINPA Tariff Book 15th edition 2017/2018</td> </tr> </tbody> </table>	Page Number	Section	Item of import	7.1	Introduction	Granulated Blast Furnace Slag	7.1	Introduction	Limestone	7.4	2. Dry Bulk. 5. Cement & Clinker	Clinker	7.4	2. Dry Bulk. 14. Gypsum & products thereof	Gypsum	*TINPA Tariff Book 15 th edition 2017/2018		
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Unit of Measurement	metric ton																		

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Tariff in ZAR	Page Number	Section	Item of import	Current Cargo Dues (R/ton)*	Proposed Cargo Dues (R/ton)
	7.1	Bulk (dry and liquid)	Granulated Blast Furnace Slag	68.41	1.50
	7.1	Bulk (dry and liquid)	Limestone	68.41	1.50
	7.4	2. Dry Bulk, 5. Cement & Clinker	Clinker	25.65	5.13
	7.4	2. Dry Bulk, 14. Gypsum & products thereof	Gypsum	25.65	5.13
*INPA Tariff Book 15 th edition 2017/2018					
Export or Import	Import				
Proposed Tariff					
Year	2019/2020				
Applicable Tariff Category	Page Number	Section	Item of import		
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	7.1	Bulk (dry and liquid)	Limestone		
	7.4	2. Dry Bulk, 5. Cement & Clinker	Clinker		
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Export or Import	Import
Duration Requested	99 years
<u>Other</u>	
Provide a brief statement of the reason(s) for the application.	
<p>Osho Cement (Pty) Ltd ("Osho Cement" or "the Company") is engaged in the setting up of a Cementitious Grinding Facility in the Coega IDZ, Port Elizabeth, Eastern Cape ("The Project" or "Coega Project"). The purpose of this facility, being set up at a total project cost of R750 million, is to manufacture cementitious products from cement clinker, limestone, gypsum and granulated blast furnace slag, for the local and regional markets.</p> <p>The Coega Project promotes Foreign Direct Investment in South Africa, reducing the dependence on imported cement, beneficiation, creating meaningful job opportunities and stimulating the local economy.</p> <p>Cargo dues form a significant component of the cost structure, and impact the feasibility of the investment in the Coega Project. The tariff relating to the raw materials proposed to be imported by the Company is significantly higher when compared to other similar bulk commodities.</p> <p>We request that the Ports Regulator reviews the tariffs as per this request in order for Osho Cement to allow the maximisation of its listed socioeconomic benefits, being:</p> <ul style="list-style-type: none"> ▪ Creation of sustainable jobs across a range of functions ▪ Improved competitiveness and product pricing ▪ Alternative to imported cement, creates local jobs ▪ Shipping costs optimisation ▪ SMME Procurement – furthers empowerment opportunities <p>This application is being made for a review of the tariff relating to the following products:</p> <ol style="list-style-type: none"> 1. Clinker; 2. Granulated blast furnace slag; 3. Limestone; and 4. Gypsum. 	
Provide information and details of any relevant industry representative organisations.	

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<p>Association of Cementitious Material Producers (ACMP)</p> <p>Any South African company involved in producing cementitious materials in South Africa, and who is registered with the South African Bureau of Standards (SABS) can join the ACMP on a voluntary basis. The mandate of the ACMP is to strive to foster an industry environment in which stakeholders and the natural environment in which its members operate are considered, uplifted, impacts are reduced, legislative requirements are upheld and open lines of communication and trust are established. Osho Cement is not a member of the ACMP.</p>
<p>How do you support or plan to support the participation in manufacturing and/or related activities by small businesses, black-owned or black-managed enterprises and local supply chains?</p>
<p>The Coega Development Corporation has an integrated focus on the specific developments as mentioned above. Being an investor in the IDZ, Osho Cement will align itself with the policies and programmes of the CDC and tap into their BEE, SMME, databases in order to source the appropriate skills in the provision of services for the factory, which will possibly include transportation (product distribution, raw material movements from supplier) - plant services: security, - plant services: cleaning - SHEQ auditing, etc. - equipment repair - outsourced maintenance - consumables supply – staff training services. The aim here is to bolster general economic growth and along with the fact that Osho Cement has signed a 99 year lease for its property in the Coega IDZ, provide long term certainty for its dependents.</p>
<p>In order to enable an understanding of the impact that the proposed reduction would have on employment, provide the number of jobs to be created and/or retained if tariff relief is granted and substantiate these estimates.</p>
<p>The planned beneficiation process ensures that employment opportunities are created in the Eastern Cape. The plant will also promote skills transfer and the development of artisanal skills within the local population. This project will stimulate the local economy around Port Elizabeth. Job creation in this province is a major priority, and it can be assumed that government and municipality will welcome any job creation opportunity that will help reduce the unemployment rate as well as the local community's reliance on government for grants. The primary area of job creation will be at the Coega plant itself. According to the project plan, the CGF project will create 95 new jobs on reaching full production and will also lead to hundreds of new indirect jobs. Tariff relief will have a positive effect on production costs, higher production and sales volumes and sustained labour requirements.</p>

End of Summary.