National Ports Amendment Bill the solution to inefficiencies?

The draft National Ports Amendment Bill, published for comment last week Friday, seeks to give effect to the 'user-pays' principle by allowing the National Ports Authority to raise revenue through levies. The pros and cons of this approach should be carefully considered when public submission on the Bill are made.

It is no secret that key agricultural commodities such as citrus, deciduous fruit, wool and others are banking on demand from overseas markets to maintain growth. South Africa's climatic conditions and sophisticated production methods positions us well to produce these popular commodities, but any export-led growth strategy relies on an efficient port system to facilitate trade. Sadly, disruptions and an aging infrastructure has hampered this strategy of late.

Investment into maintenance and new technology at ports of entry and exit is required if our export commodities are to remain internationally competitive but investment has lagged behind in recent years. One of the principle reasons often cited, is the fact that the National Ports Authority does not receive sufficient revenue from the national Treasury. Likewise, funds currently raised through operations at harbours are not ringfenced for reinvestment into ports but can be used to subsidise other transport infrastructure. If the National Ports Authority were to be permitted to impose levies on users as the Bill recommends, it may provide the necessary revenue provided that the funds are ring-fenced for maintenance and reinvestment into the port – something which the Bill does not currently make explicit. On the other hand, levies will invariably raise the cost of exporting South African products which may in turn affect our international competitiveness.

In the end, it may come down to a conflict between the cost of doing business versus the ease of doing business. That being said, any proposals in this regard should explicitly ring-fence the funds for reinvestment into the port in question. This is a delicate balance that will need to be factored and ideally quantified before a meaningful submission can be made. Unfortunately, time is of the essence as the public have only been given 30 days to submit comments, calculated as the 12th of August 2019.

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Theo Boshoff
Head: Legal Intelligence
Tel: +27 12 807 6686
Email: theo@agbiz.co.za

www.agbiz.co.za