



## FIJI COMMERCE COMMISSION

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## FINAL DETERMINATION ON REVIEW OF SPECIFIC CHARGES IN SCHEDULE 2 OF THE 2009 APPROVED TARIFF OF FIJI PORTS CORPORATION LIMITED (FPCL)

Date of Report: 8<sup>th</sup> October 2010

### 1.0 INTRODUCTION

- 1.1 On 22<sup>nd</sup> September 2009 the Fiji Commerce Commission referred to as "Commission" hereafter made a final determination on Tariff increase for Fiji Ports Corporation Limited.
- 1.2 On 22<sup>nd</sup> October, 2010 the Commission received and accepted an application from Fiji Ports Corporation Limited (FPCL) for the review of specific charges in Schedule 2 of the 2009 approved Tariff.
- 1.3 The FPCL in its request to the Commission asked for specifically three charges in the approved schedule 2 tariff to be re-looked at to ensure the viability and profitability of the stevedoring company, Ports Terminal Limited (PTL), a 100% subsidiary of Fiji Ports Corporation Limited (FPCL), a Government Commercial Company.
- 1.4 Based on the submission received the Commission proceeded to analyse the submission and make a determination.

### 2.0 LEGAL FRAMEWORK

- 2.1 The *Commerce, (Control of Prices for Ports and Marina Management Services) Order 2010* empowers the Commission to control/regulate the prices or rates for the supply of all parts and marina management services in Fiji.

### 3.0 ANALYSIS OF INFORMATION SUBMITTED BY FIJI PORTS CORPORATION LIMITED

- 3.1 In its submission to the Commission, FPCL provided Tariff Review Report prepared by Ernest and Young to undertake a review of the 2009 approved tariff.
- 3.2 The three specific charges FPCL wanted the Commission to re-look at were :
  - Full Containers (TEU<sup>1</sup> and FEU<sup>2</sup>)
  - Empty Containers (TEU and FEU)
  - Transhipment Containers (TEU and FEU)

<sup>1</sup> TEU-Twenty Equivalent Units

<sup>2</sup> FEU-Forty Equivalent Units



3.3 The FPCL also proposed to the Commission four (4) options for the proposed new tariff rates. These are;

**Option A**

Fifty Percent (50%) increase in Full Container charges (based on 2009 approved rates), 200% in Empty container charges and 100% increase in Transshipment Container charges.

Name		2009 Charges/Rates	Proposed Rates
Full Containers	TEU	\$80.00	\$120.00
	FEU	\$80.00	\$120.00
Empty Containers	TEU	\$40.00	\$120.00
	FEU	\$40.00	\$120.00
Transshipment Containers	TEU	\$80.00	\$120.00
	FEU	\$144.00	\$120.00

**Option B**

Same application concept of the 2001 rates but with increased breakeven rates.

Name		2001 Charges/Rates	2009 Charges/Rates	Proposed Rates
Full Containers	TEU	\$80.00	\$80.00	\$125.00
	FEU	\$144.00	\$80.00	\$125.00
Empty Containers	TEU	\$60.00	\$40.00	\$90.00
	FEU(TEU*1.8)	\$108.00	\$40.00	\$162.00
Transshipment Containers	TEU	\$80.00	\$80.00	\$90.00
	FEU(TEU*1.8)	\$144.00	\$144.00	\$162.00

**Option C**

Re-introduce the 2001 tariff rates. The 2001 rates are shown in the table below.

Name		2001 Charges/Rates
Full Containers	TEU	\$80.00
	FEU	\$144.00
Empty Containers	TEU	\$60.00
	FEU	\$108.00
Transshipment Containers	TEU	\$80.00
	FEU	\$144.00

**Option D**

Revised 2001 rates with a decrease in FEU rates and a slight increase in the TEU rate.

Name		2001 Charges/Rates	2009 Charges/Rates	Proposed Rates
Full Container	TEU	\$80.00	\$80.00	\$90.00
	FEU	\$144.00	\$80.00	\$135.00
Empty Containers	TEU	\$60.00	\$40.00	\$60.00
	FEU	\$108.00	\$40.00	\$108.00
Transshipment Containers	TEU	\$80.00	\$80.00	\$80.00
	FEU	\$144.00	\$144.00	\$144.00

3.4 FPCL in its submission also indicated their preference for option B to be adopted .

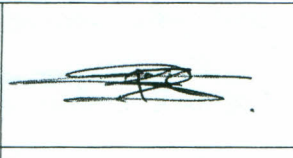
**4.0 COMMISSION'S DETERMINATION**

4.1 The Commission after analysing the Submission from FPCL and through its own research has revised and approved the following changes in charges in Schedule 2 of the 22<sup>nd</sup> September 2009 Determination.

Name		2001 Charges/Rates	2009 Charges/Rates	Proposed Rates
Full Container	TEU	\$80.00	\$80.00	\$90.00
	FEU	\$144.00	\$80.00	\$135.00
Empty Containers	TEU	\$60.00	\$40.00	\$60.00
	FEU	\$108.00	\$40.00	\$108.00
Transshipment Containers	TEU	\$80.00	\$80.00	\$80.00
	FEU	\$144.00	\$144.00	\$144.00

The above or any other charges by FPCL will remain the same and no new charges should be introduced unless authorised by the Commission.

**Commissioners:**

			
<b>Dr. Mahendra Reddy</b>	<b>Leba Mataitini</b>	<b>Krishan Shah</b>	<b>Sepeti Tagilala</b>
<b>Chairman</b>	<b>Commissioner</b>	<b>Commissioner</b>	<b>Commissioner</b>

Date of Issue: 8<sup>th</sup> November, 2010  
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