



FIJI COMMERCE COMMISSION

HEAD OFFICE & CENTRAL EASTERN

DIVISION

Level 1 Garden City Complex, Raiwai,
Suva.

P O Box 5031, Raiwaqa, Suva.

Phone: (679) 337 2178

Fax: (679) 337 2389

Email : helpdesk@commcomm.gov.fj

Website: www.commcomm.gov.fj

WESTERN DIVISION

1st Floor, Downtown Holdings Bldgs,
155 Vitogo Parade,

P O Box 594, Lautoka

Telephone/Fax: (679) 666 1853

NORTHERN DIVISION

Corner of Nanuku/Jaduram Street,
P O Box 262, Labasa

Telephone/Fax: (679) 881 1155

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

Date of Report: 8th October 2010

1.0 INTRODUCTION

- 1.1 On 22nd 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 22nd 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 (TEU¹ and FEU²)
 - Empty Containers (TEU and FEU)
 - Transshipment Containers (TEU and FEU)

¹ TEU-Twenty Equivalent Units

² 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 22nd 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:

			
Dr.Mahendra Reddy	Leba Mataitini	Krishan Shah	Sepeti Tagilala
Chairman	Commissioner	Commissioner	Commissioner

Date of Issue: 8th November, 2010
© Fiji Commerce Commission