



## COMMERCE COMMISSION

Postal: P. O. Box 5031, Raiwaqa,  
Suva

Office: Level I, Garden City,  
Carpenter Street, Raiwai,  
Suva

Chairman: Dr. Mahendra Reddy

Phone: 3372 178

Fax: 3372 389

Email: [sbaba@commcomm.gov.fj](mailto:sbaba@commcomm.gov.fj)

Website: [www.commcomm.gov.fj](http://www.commcomm.gov.fj)

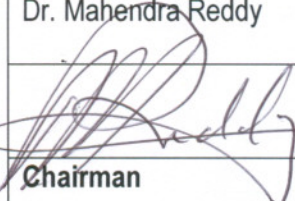

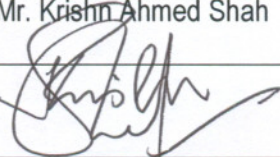

### FINAL DETERMINATION ON TARIFF INCREASE FOR FIJI PORTS COPORATION LIMITED CASE NO: ER-008-51

Date of Report 22<sup>nd</sup> September, 2009

On 22<sup>nd</sup> Aug, 2008 Commerce Commission received the revised application and accepted a submission from Fiji Ports Corporation Limited requesting 15% increase in Tariff for Port Services, under Part 6 of the Sea Ports Management Act.

The Act requires the Commerce Commission to review all charges levied by Fiji Ports Corporation Limited. In light of the submission the Commerce Commission undertook a comprehensive study of the overall Port Services. The final determination is made after consultations with all Fiji Ports Corporation Limited stakeholders, Ship Owners, Importers/Exporters, consumers, suppliers and the public at large.

#### Commissioners:

Dr. Mahendra Reddy	Mr. Bob Harness	Mr. Krishn Ahmed Shah	Mrs. Leba Mataitini
			
Chairman	Commissioner	Commissioner	Commissioner

Date Issued: 22<sup>nd</sup> September, 2009

© Commerce Commission



## 1.0 The Application by Fiji Ports Corporation Limited (FPCL)

- 1.2 This is the final determination by the Commerce Commission (hereafter referred to as 'the Commission') on port prices. The date of Commencement is 1<sup>st</sup> October, 09.
- 1.3 The determination is an attempt to align Port charges to those rates that will prevail in a competitive market. Such increase in overall operation is essential for the effective operation of the rest of the economy.
- 1.4 Given that FPCL operates in a monopoly market, the Commission is required to remove distortions in prices in such market environment.
- 1.5 FPCL claims that the requested tariff increase in Fiji Port Services is necessary. There are significant changes and requirements in the world shipping practices, and so new technology and improved infrastructure has been introduced at some considerable expense and further port and infrastructure development is necessary if our ports are to continue to provide services in the increased volume of ships and cargo.
- 1.6 The Commission thus authorizes the prices stipulated in this determination.

## 2.0 The Background

- 2.1 **Fiji Ports Corporation Limited<sup>1</sup>**  
FPCL is a 100% owned Government Commercial Company (GCC), therefore it is committed to provide a return to its shareholders.
- 2.2 The FPCL current tariff was introduced on 15, May 2001 (nearly 7½ years), and no change in tariff has taken place ever since. However there has been substantial increase in costs and developments during in this period<sup>2</sup>.
- 2.3 **Development Costs**
  - 2.3.1 In order to meet the demands of the shipping industry, FPCL has in the last few years spent a total of \$77.5 million on improving and upgrading port infrastructure.

---

<sup>1</sup> Commenced operation on 1<sup>st</sup> July 2005 after two reforms in the Port Industry. Fiji Ports Corporation Limited was registered as a company on 18<sup>th</sup> August, 2004 and operates under the Seaports Management Act 2005<sup>1</sup>.

<sup>2</sup> FPCL in the year 2007 submitted a 33% tariff increase for Port Services but this was rejected by the Commission, on the grounds that 33% increase was excessive. They submitted again, requesting a tariff increase of 15% in the year 2008 and they withdrew it on 28<sup>th</sup> January, 2008. FPCL again submitted a new proposal of 15% tariff increase on 22<sup>nd</sup>, August 2008.



- 2.3.2 The Borrowing (loans) at the start of 2009 were:
- US\$38,438,723 from ANZ; and
  - US\$28,066,175 from ADB.
- 2.3.3 FPCL, in its submission claims that with the current charges, it is not able to achieve a reasonable Rate of Return on Investment (ROI).
- 2.3.4 FPCL also argues that because of the foreign currency denomination of their loan (US\$), the recent devaluation has placed them in a much more difficult position in terms on repayment and keeping up with the repayment schedule.

### 3.0 Legal Requirements

- 3.1 Section 32 (1) of the Commerce Act allows the Commission to recommend to the Minister to declare the prices for certain goods and services offered in limited competitive market to be controlled<sup>3</sup>.
- 3.2 Prices should on average, over a medium term, cover efficient operating costs (including any temporary deviation) resulting from unexpected changes in the external factors and no more.

### 4.0 Commerce Commission Procedures

- 4.1 **For the purpose of the tariff review, the Commission Act empowers the Commission to review the tariffs of FPCL and undertook the following procedures in its review:**
- Written submissions were invited from all stakeholders on submissions made by FPCL;
  - A Public forum was held on 1<sup>st</sup> May 09 where Captain Chris Marshall the Chief Executive Officer of FPCL made a 40 minute presentation to stakeholders before the forum was open to questions and answers. A number of stakeholders were present in the forum.
  - Stakeholders were given additional time to provide written submissions to the presentation made by FPCL at the forum.
- 4.2 The processes were necessary in order to maintain transparency whilst establishing and raising awareness on the Commissions independence and commitment to competition.

<sup>3</sup> Prior to making its recommendation, subsection (32) states that;

*"The commission must not make a recommendation unless it is satisfied that-*

- (a) Goods and services to which the recommendation relates are or will be supplied or acquired in a market in which competition is limited or is likely to be lessened : and*
- (b) It is desirable for the prices of those goods and services to be controlled in accordance with this Act in the interest of users, consumers or suppliers"*



## 5.0 The Commission's Analysis

- 5.1 The Commission has examined the proposal submitted by FPCL and also examined the pricing structure of their services. It is also aware of its dual responsibility of safeguarding the interest of the port users as well as ensuring a reasonable Rate of Return to FPCL.
- 5.2 The objective is to make a balanced decision in the interest of stakeholders and FPCL. In making the determination, the commission is mindful for the need to improve the standard of all **Port Services in Fiji**, and at the same time increase the FPCL operating capacity and minimize operating costs.
- 5.3 The Commission noted the concern from stakeholders that quality and efficiency of Port Services provided by FPCL is still a concern and not up to the required standard.
- 5.4 The Commission has taken note of the Bundling<sup>4</sup> of port dues, pilotage and mooring. Bundling leads to build of cost inefficiency.
- 5.5 The operating costs<sup>5</sup> have increased because of increases in fuel, labor, electricity, repairs wages, salaries and other associated costs. However, despite this increase in costs, FPCL has been making positive returns. A perusal of their ROI reveals that it does fluctuate around the market rate. In 2006 and 2007, the ROI was 5.5%. In 2008, which was economically a bad year for Fiji, the ROI fell to 2.4%.
- 5.6 Benchmarking FPCL port charges against other ports in the region reveals that Fiji's rates compares well with these comparator. In particular, it is noted that Tauranga, Tonga and Pohnpei Port chargers are lower than Fiji's.

## 6.0 Determination

- 6.1 The Commission approves changes in its **FINAL** tariff as detailed in section 7.

<sup>4</sup> Offering several products for sale as one combined product. The bundling of charges can make it difficult, to clearly identify separate charges.

<sup>5</sup> The estimated operating expense in the year 2005[only] is \$16,933,658. In the year 2006 it is \$17,241,588. In 2007 its \$18,121,460 and in 2008 its \$19,164,525.

	2005 for 6mths	Estimated 2005 data	2006	2007	2008
Total expenses	\$9,411,002	\$18,822,004	\$29,189,000	\$31,770,000	\$35,408,000
Operating expenses	\$8,466,829	\$16,933,658	\$17,241,588	\$18,121,460	\$19,164,525
Net profit	\$1,604,294	\$3,208,588	\$4,021,000	\$4,042,000	\$1,752,000



- 6.2 The authorization of these prices is subject to the following conditions:
- i. The price increases granted by this Determination may be revoked or varied by the Commission in the event of a decline of 10% or more in FPCL operating costs or total expenses;
  - ii. The prices granted by this Determination may be revoked or varied by the Commission in the event of any material change in government tariff or economic policy;
  - iii. The prices granted by the Commission may be revoked or varied in the event that FPCL failed to make material disclosure to the Commission;
  - iv. The prices granted by the Commission may be revoked or varied in the event that the Commission considers upon a review that changed circumstances warrant a revocation or variation;
  - v. The increases in prices authorized by this Determination shall come into effect on 1<sup>st</sup> October, 2009 and be in force until any further determination is made.



## **7.0 Tariff Charges Schedules**

By this Determination, the Commission authorizes tariff charges for FPCL as per **Schedule 1 to 7, and Schedule 8 includes the Glossary Terms with Definitions.**

- 7.1 **Schedule 1;**  
**Marine Service Charges see Commission's AUTHORIZED (charges that are increased).**
- 7.2 **Schedule 2;**  
**Stevedoring Handling Charges see Commission's AUTHORIZED (charges that are increased).**
- 7.3 **Schedule 3;**  
**Wharfage and Cargo Handling Charges**  
**No changes in charges i.e. existing charges apply**
- 7.4 **Schedule 4;**  
**Local Vessel charges see Commission's AUTHORIZED (charges that are increased).**
- 7.5 **Schedule 5;**  
**Cargo Service Charges see Commission's AUTHORIZED (charges that are increased).**
- 7.6 **Schedule 6;**  
**Demurrage/Storage charges see Commission's AUTHORIZED (charges that are increased).**
- 7.7 **Schedule 7;**  
**Ancillary Charges see Commission's AUTHORIZED (charges that are increased)**
- 7.8 **Schedule 8;**  
**Glossary Terms with Definitions**

**Schedule 1: Current and Proposed FPCL Tariff Rates: Marine Service Charges 2009**

CURRENT TARIFF		PROPOSED TARIFF			COMMISSION'S AUTHORIZED TARIFF SEPTEMBER-2009		
Name	Rate	Name	Rate	% Increase	Name	Rate	% Increase
<i>Charges Levied on Overseas Ship Owner</i>					<i>Charges Levied on Overseas Ship Owner</i>		
Port Dues (Charge PER VISIT)	\$10.45 per 100 grt	Marine Service Charge (one off payment per visit)	Formula \$0.2352 x grt + \$862	15%	Marine Service Charge (one off payment per visit)	Formula \$0.22 x grt + \$806.25	7.5%
Pilotage	\$0.10 per grt + \$370 (in and out)						
Mooring	\$95.00 each end (in and out) 4 lines						
Pilotage Berth/Anchorage/Berth	\$0.10 per grt + \$370	Pilotage Berth/Anchorage/Berth	\$0.06 per grt + \$437 (Only applies if additional to Marine Service Charge)	Minus 24.3%	Pilotage Berth/Anchorage/Berth	\$0.1075 per grt + \$397.75	7.5%
Shifting	\$0.05 per grt + \$185	Shift Ship with Pilot	\$0.06 per grt + \$437 (\$437 is Mooring Fee)	51.3%	Shifting Shift Ship with Pilot	\$0.05375 per grt + \$198.875	7.5%
		Shift Ship Without Pilot (Warping)	\$437 (Mooring Fee)	-	Shift Ship Without Pilot (Warping)	\$102.12 (Mooring Fee)	7.5%
		Optional Sea Pilotage	\$0.115 per grt	New OPTIONAL service additional to Harbour Pilotage	Optional Sea Pilotage	\$0.115 per grt	Approved New OPTIONAL service additional to Harbour Pilotage

Schedule 1: Current and Proposed Tariff Rates: Marine Service Charges cont...

2009

CURRENT TARIFF		PROPOSED TARIFF			COMMISSION'S AUTHORIZED TARIFF SEPTEMBER-2009		
Name	Rate	Name	Rate	% Increase	Name	Rate	% Increase
Outport Pilotage	Pilotage Rate + Travel and Accommodation Costs	Outport Pilotage	Included in Marine Service Charge + Travel and Accommodation Costs	15%	Outport Pilotage	Included in Marine Service Charge + Travel and Accommodation Costs	7.5%
		Pilot Vessel Hire	Within Harbour Limits – included in MSC.  For Optional Sea Pilotage – \$21.50 per nautical mile	<i>New provision as Fiji Ports have only recently acquired its own pilot boats</i>	Within Harbour Limits – included in MSC.  For Optional Sea Pilotage – \$21.50 per nautical mile	<i>New provision as Fiji Ports have only recently acquired its own pilot boats</i>	Approved
Dockage	\$1.80 per 100 grt	Dockage	\$0.0207 per grt	15%	Dockage	\$1.94 per 100grt	7.5%
		<i>(Container Ships)</i>	<i>(Charged "pegged" based on agreed handling rate)</i>		<i>(Container Ships)</i>	<i>(Charged "pegged" based on agreed handling rate)</i>	Rate Agreed
		<i>(Cruise Ships)</i>	\$0.0104 per grt	Minus 42%	Dockage <i>(Cruise Ships)</i>	\$0.0104 per grt	Minus 42%
Environment Levy (per visit)	\$4.00 per 100grt	Environment Levy	\$0.04 per grt	No Change	Environment Levy (per visit)	\$0.04 per grt or \$4.00 per 100grt	No Change



Schedule 1: Current and Proposed FPCL Tariff Rates: Marine Service Charges cont...

2009

CURRENT TARIFF		PROPOSED TARIFF			COMMISSION'S AUTHORIZED TARIFF SEPTEMBER-2009		
Name	Rate	Name	Rate	% Increase	Name	Rate	% Increase
Anchorage	\$4.49 per 100 grt per 30 days or part thereof. <i>(Applicable to all vessels when anchoring for any reason)</i>	Anchorage	\$0.052 per grt per 30 days or part thereof. <i>(Applicable ONLY to vessels using the anchorage as a layup – does NOT apply to vessels awaiting a berth, etc.)</i>	15% <i>(For laid up vessels) Minus 100% (For trading vessels)</i>	Anchorage	\$4.826 per 100 grt per 30 days or part thereof. <i>(Applicable ONLY to vessels using the anchorage as a layup – does NOT apply to vessels awaiting a berth, etc.)</i>	7.5%
		Ferry Services	\$21.50 per nautical mile	<i>(New charge related to new pilot boats)</i>	Ferry Services	\$21.50 per nautical mile	Approved <i>(New charge related to new pilot boats)</i>
Security Charge (ISPS)					Security Charge (ISPS)		
ISPS Non Compliant Vessels	\$25 per hour	ISPS Non Compliant Vessels	\$25 per hour	No Change	ISPS Non Compliant Vessels	\$25 per hour	No Change
Cruise Liners	\$110 per hour	Cruise Liners	\$110 per hour	No Change	Cruise Liners	\$110 per hour	No Change
Bulk Vessel/Barge	0 to 2 days \$40 per day 3 to 4 days \$25 per day 5 to 6 days \$10 per day	Bulk Vessel/Barge	0 to 2 days \$40 per day 3 to 4 days \$25 per day 5 to 6 days \$10 per day	No Change	Bulk Vessel/Barge	0 to 2 days \$40 per day 3 to 4 days \$25 per day 5 to 6 days \$10 per day	No Change
ISPS Compliant Vessel at Anchor	\$100 per hour <i>(Only if requested)</i>	ISPS Compliant Vessel at Anchor	\$100 per hour <i>(Only if requested)</i>	No Change	ISPC Compliant Vessel at Anchor	\$100 per hour <i>(Only if requested)</i>	No Change

Schedule 2: Current and Proposed Tariff Rates: Stevedoring Handling Charges (Charged to Overseas Ships

2009

Stevedoring Handling Charges (Charged to Overseas Ships)						COMMISSION'S AUTHORIZED TARIFF SEPTEMBER-2009				
CURRENT TARIFF			PROPOSED TARIFF							
Name	Rate		Name	Rate		% Increase	Name	Rate		% Increase
Full Containers (TEU & FEU)	\$80 per container (Plus Meals, Travel, Gear Hire etc)		Full Containers (TEU & FEU)	\$80 per container (All costs INCLUSIVE)		No Change (Reduction in "extras" charges)	Full Containers (TEU & FEU)	\$80 per container (All costs INCLUSIVE)		No Change (Reduction in "extras" charges)
Empty Containers	\$40 per container		Empty Containers	\$40 per container		No Change	Empty Containers	\$40 per container		No Change
Transshipment Containers	\$80 per container		Transshipment Containers	\$60 per container		Minus 25%	Transshipment Containers	\$60 per container		Minus 25%
Wharfage on Transshipment Containers	\$34 per container		Wharfage on Transshipment Containers	\$44 per container		29%	Wharfage on Transshipment Containers	\$36.55 per container		7.5%
Timber Flat Packs	\$68 per unit		Timber Flat Packs	\$80 per unit		15%	Timber or Master Packs	\$73.10 per unit		7.5%
Dry Bulk	\$5 per revenue tonne		Dry Bulk	\$5.75 per revenue tonne		15%	Dry Bulk	\$5.375 per revenue tonne		7.5%
Motor Vehicles	RoRo v/l's	\$25 per unit	Motor Vehicles	RoRo v/l's	\$25 per unit	No Change	Motor Vehicles	RoRo v/l's	\$25 per unit	No Change
	LoLo v/l's	\$30 per unit		LoLo v/l's	\$30 per unit			LoLo v/l's	\$30 per unit	
General Cargo	\$15 per revenue tonne		General Cargo	Standard Lift	\$17.25 per revenue tonne	15%	General Cargo	Standard Lift	\$16.25 per revenue tonne	7.5%
				Lift <300m <sup>3</sup>	\$100 per lift			Lift <300m <sup>3</sup>	\$100 per lift	
				Lift >300m <sup>3</sup>	\$500 per lift			Lift >300m <sup>3</sup>	\$250 per lift	
Steel Products	\$12.00 per revenue tonne		Steel Products	\$13.80 per revenue tonne		15%	Steel Products	\$12.90 per revenue tonne		7.5%
Stuff/Unstuff	Per TEU	\$60	Stuff/Unstuff	Per TEU	\$115	91%	Stuff/Unstuff	Per TEU	\$104.65	Approved
				Per FEU	\$150			Per FEU	\$136.50	

Incentive Scheme

<u>Ship Cranes</u>	<u>Shore Cranes</u>	<u>Rate per Lift</u>	COMMISSION'S AUTHORIZED TARIFF SEPTEMBER-2009
5 to 10	10 to 15	Published Stevedoring Rate	Approved
11 to 13	16 to 20	Published Stevedoring Rate + \$10 per Movement	Approved
14 to 16	21 to 25	Published Stevedoring Rate + \$20 per Movement	Approved
17 to 19	26 to 30	Published Stevedoring Rate + \$30 per Movement	Approved

**NOTE:**

The cost of hiring outside machinery (Pool B) to supplement FPCL forklifts, etc, will no longer be charged as invariably the reason for hiring such extra equipment is to replace broken down FPCL machinery. This change is thus a further incentive for FPCL to improve productive as ground machinery reliability is crucial to increasing cargo handling productivity.

Schedule 3: Current and Proposed FPCL Tariff Rates: Wharfage and Cargo Handling Charges

2009

CURRENT TARIFF			PROPOSED TARIFF				COMMISSION'S AUTHORIZED TARIFF SEPTEMBER-2009				
Name	Rate		Name	Rate		% Increase	Name	Rate		% Increase	
Containers	Full TEU	\$50	Containers <i>(Wharfage and Handling Combined into a Single Charge)</i>	Full TEU	\$86 per container	15%	Containers	Full TEU	\$50	No Change	
	Empty TEU	\$10		Empty TEU	\$10						
Handling Lift on Lift off	TEU	\$24.75 per lift		Full FEU	\$160 per container		15%	Handling Lift on Lift off	TEU	\$24.75 per lift	No Change
	FEU	\$49.50 per lift		(No Charge for Empty Containers)					FEU	\$49.50 per lift	
Break Bulk	\$3.57 per revenue tonne		Break Bulk	\$4.00 per revenue tonne		12%	Break Bulk	\$3.57 per revenue tonne		No Change	
Dry Bulk	\$1.50 per revenue tonne		Dry Bulk	\$1.75 per revenue tonne		15%	Dry Bulk	\$1.50 per revenue tonne		No Change	
Liquid	\$1.50 per revenue tonne		Liquid	\$1.75 per revenue tonne		15%	Liquid	\$1.50 per revenue tonne		No Change	
Motor Vehicles	\$3.85 per unit		Motor Vehicles	\$4.50 per unit		16%	Motor Vehicles	\$3.85 per unit		No Change	
General Cargo	Wharfage	\$3.40 per tonne	General Cargo	Wharfage	\$4.00 per tonne	17.6%	General Cargo	Wharfage	\$3.40 per tonne	No Change	
	Handling	<i>(Various depending on F/L Size – Average \$51.50 per hour or part thereof)</i>		Handling	\$30 per hour or part thereof. <i>(Single Charge)</i>	Minus 42%		Handling	<i>(Various depending on F/L Size – Average \$51.50 per hour or part thereof)</i>		
Shift to Storage (After Free Time)	Containers	\$120	Shift to Storage (After Free Time)	Containers	\$90 per container	Minus 25%	Shift to Storage (After Free Time)	Containers	\$120	No Change	
	Break Bulk	\$15 per tonne		Break Bulk	\$20 per tonne	33%		Break Bulk	\$15 per tonne		No Change

Schedule 4: Current and Proposed FPCL Tariff Rates: Local Vessel

2009

CURRENT TARIFF			PROPOSED TARIFF			COMMISSION'S AUTHORIZED TARIFF SEPTEMBER-2009				
Name	Rate		Name	Rate	% Increase	Name	Rate		% Increase	
Port Dues (Charge PER YEAR)	Inter Island	\$1.00 per grt	Port Dues (Charge PER YEAR)	Inter Island	\$1.15 per grt	15%	Port Dues (Charge PER YEAR)	Inter Island	\$1.075 per grt	7.5%
	Passenger	\$3.00 per grt		Passenger	\$3.45 per grt			Passenger	\$3.225 per grt	
	Other	\$3.00 per grt		Other	\$3.45 per grt			Other	\$3.225 per grt	
	Fishing	\$3.00 per grt		Fishing	\$3.45 per grt	Fishing	\$3.225 per grt	7.5%		
Pilotage (If required)	All Vessels	Not Specified	Pilotage (If required)	All Vessels	\$500	(Optional)	Pilotage (If required)	All Vessels	\$500	(Optional)
Dockage (per hour alongside) (Minimum Charge of \$5.00 applies)	Inter Island	\$0.17 per 100 grt	Dockage (per hour alongside) (Minimum Charge of \$5.00 applies)	Inter Island	\$0.002 per grt	15%	Dockage (per hour alongside) (Minimum Charge of \$5.00 applies)	Inter Island	\$0.182 per 100 grt	7.5%
	Passenger	\$0.70 per 100 grt		Passenger	\$0.008 per grt			Passenger Other	\$0.75 per 100 grt	
	Other	\$1.20 per 100 grt		Other	\$1.0138 per grt			Other	\$1.29 per 100 grt	
				Fishing	\$1.0138 per grt	Fishing	\$1.0138 per grt	Approved		
Environment Levy (per year) (All vessels)	\$4.00 per grt		Environment Levy (per year) (All vessels)	\$4.00 per grt		No Change	Environment Levy (per year) (All vessels)	\$4.00 per grt		No Change

Schedule 5: Current and Proposed FPCL Tariff Rates Cargo Services Charge 2009

CURRENT TARIFF		PROPOSED TARIFF			COMMISSION'S AUTHORIZED TARIFF SEPTEMBER-2009					
Name	Rate	Name	Rate	% Increase	Name	Rate	% Increase			
Containers (Local)	Full TEU	\$17.00 per unit	Containers (Local)	Full TEU	\$20.00 per unit	Containers (Local)	Full TEU	\$18.275 per unit	7.5%	
	Full FEU	\$25.50 per unit		Full FEU	\$30.00 per unit		Full FEU	\$27.41 per unit	7.5%	
	Empty TEU	\$4.25 per unit		Empty TEU	\$5.00 per unit		Empty TEU	\$4.56 per unit	7.5%	
	Empty FEU	\$6.50 per unit		Empty FEU	\$7.50 per unit		Empty FEU	\$6.9875 per unit	7.5%	
	HMC TEU	\$4.25 per unit		HMC TEU	\$5.00 per unit		15%	HMC TEU	\$4.568 per unit	7.5%
	HMC FEU	\$6.50 per unit		HMC FEU	\$7.50 per unit			HMC FEU	\$6.9875 per unit	7.5%
			Inter Port Barge Transfer	\$15.00 per TEU \$25.00 per FEU	(Special Rate for New Service)	Inter Port Barge Transfer	Inter Port Barge Transfer	\$15.00 per TEU \$25.00 per FEU	Approved (Special Rate for New Service)	
Break Bulk (Local)	\$0.50 per revenue tonne	Break Bulk (Local)	\$0.58 per revenue tonne	15%	Break Bulk (Local)	\$0.5375 per revenue tonne	7.5%			
Bulk (Local)	\$0.50 per revenue tonne	Bulk	\$0.58 per revenue tonne	15%	Bulk (Local)	\$0.5375 per revenue tonne	7.5%			
Liquid (Local)	\$0.50 per revenue tonne	Liquid (Local)	\$0.68 per revenue tonne	15%	Liquid (Local)	\$0.5375 per revenue tonne	7.5%			
HM	\$0.15 per revenue tonne	HMC	\$0.18 per revenue tonne		HMC	\$0.16125 per revenue tonne	7.5%			

Schedule 6: Current and Proposed Tariff Rates: Demurrage/Storage

2009

Storage for all import and export cargo is provided free of charge for 72 hours, after which a charge applies.						COMMISSION'S AUTHORIZED TARIFF SEPTEMBER-2009				
CURRENT TARIFF		PROPOSED TARIFF								
Name	Rate		Name	Rate		% Increase	Name	Rate		% Increase
Full Containers (TEU/FEU)	Day 1 to 3	Free	Full Containers (TEU and FEU)	Day 1 to 3	Free	10% 8.3% 5.6%	Full Containers (TEU and FEU)	Day 1 to 3	Free	7.5%
	Day 4 to 7	\$30 per day		Day 4 to 7	\$33 per day			Day 4 to 7	\$32.25 per day	
	Day 8 to 14	\$60 per day		Day 8 to 14	\$65 per day			Day 8 to 14	\$64.50 per day	
	>14 Days	\$90 per day		>14 Days	\$95 per day			>14 Days	\$96.75 per day	
Empty Containers (TEU/FEU)			Empty Containers (TEU/FEU)	Day 1 to 3	Free	16.6%	Empty Containers (TEU/FEU)	Day 1 to 3	Free	Approved
				>4 Days	\$6 per day			>4 Days	\$6 per day	
Break Bulk (per revenue tonne)	Day 1 to 3	Free	Break Bulk (per revenue tonne)	Day 1 to 3	Free	16.6%	Break Bulk (per revenue tonne)	Day 1 to 3	Free	7.5%
	Day 4 to 7	\$3 per day		Day 4 to 7	\$3.50 p/day			Day 4 to 7	\$3.25 per revenue tonne per day	
	Day 8 to 14	\$6 per day		Day 8 to 14	\$7.00 p/day	16.6%		Day 8 to 14	\$6.45 per revenue tonne per day	
	>14 Days	\$9 per day		>14 Days	\$10.50 p/day			>14 Days	\$9.675 per revenue tonne per day	
Pre-arranged Storage	Containers (per TEU)	\$60 per week	Pre-arranged Storage	Containers (per TEU)	\$65 per week	8.3%	Pre-arranged Storage	Containers (per TEU/FEU) per week	\$64.5 per TEU/FEU per week	7.5%
	Break Bulk (per tonne)	\$2.25 per week			Break Bulk (per tonne)	\$2.50 per week		11%		Break Bulk (per tonne)
Transshipment Cargo (Containers)	1 to 21 Days	Free	Transshipment Cargo (Containers)	1 to 21 Days	Free	8.3%	Transshipment Cargo (Containers) (After free time)	1 to 21 Days	Free	7.5%
	>21 Days	\$60 per week		>21 Days	\$65 per week			>21 Days	\$64.50 per TEU/FEU per week or part thereof	

Schedule 6: Current and Proposed Tariff Rates: Demurrage/Storage cont...	2009
--	------

Transshipment Cargo (Break Bulk)	1 to 21 Days >21 Days	Free \$2.25 per week	Transshipment Cargo (Break Bulk)	1 to 21 Days >21 Days	Free \$2.50 per week	8.3%	Transshipment Cargo (Break Bulk)	1 to 21 Days >21 Days	Free \$2.418 per revenue tonne per week or part thereof	7.5%
Long Term Storage (after free time)			Containers	\$120.00 per TEU/FEU			Containers	\$120.00 per TEU/FEU		Approved
			Break Bulk	\$20.00 per revenue tonne			Break Bulk	\$20.00 per revenue tonne		Approved

**NOTE;**

Storage is provided **FREE of CHARGE** for (3) days, or part thereof for overseas containers or cargo for discharge or loading at a port at the Fiji Islands. The three day period commences at 0800 hrs on the first and finishes at 0759 hrs on the third day, Sundays and public holidays, are not included in the **FREE of CHARGE** for three days or part thereof. A **FREE PERIOD** of (18) hrs is granted to HMC cargo land-bridged under bond to another part in the FIJI Islands.



**Schedule 7: Current and Proposed Tariff Rates: Ancillary Charges. 2009**

CURRENT TARIFF			PROPOSED TARIFF			COMMISSION'S AUTHORIZED TARIFF SEPTEMBER-2009				
Name	Rate		Name	Rate		% Increase	Name	Rate		% Increase
Freezer	\$1.40 per m <sup>3</sup> per day		Freezer	\$1.50 per m <sup>3</sup> per day		7%	Freezer	\$1.50 per m <sup>3</sup> per day		7.5%
Cooler	\$1.00 per m <sup>3</sup> per day		Cooler	\$1.07 per m <sup>3</sup> per day		7%	Cooler	\$1.07 per m <sup>3</sup> per day		7.5%
Fumigation	Container	\$60 per day	Fumigation	Container	\$65 per day	8.3%	Fumigation	Container	\$64.50 per day	7.5%
				Break Bulk	\$2.50 per day			Break Bulk	\$2.50 per day	
Incinerator	\$30 per burn hour		Incinerator	\$35 per burn hour		16.7%	Incinerator	\$32.25 per burn hour		7.5%
Reefer Power Supply	\$55 per plug per day		Reefer Monitoring	\$80 per plug per day <i>(incl travel time; meals; provision of plug and lead, etc)</i>		Incl extras previously charged separately	Reefer Monitoring	\$80 per plug per day <i>(incl travel time; meals; provision of plug and lead, etc)</i>		Approved
Weighbridge	\$1.00 per tonne per weigh		Weighbridge	\$30 per vehicle			Weighbridge	\$30 per vehicle		REMOVED By FPCL
REMOVED	REMOVED		REMOVED	REMOVED		REMOVED	REMOVED	REMOVED		
Washing/Steam Cleaning Containers	\$20 per hour		Washing/Steam Cleaning Containers	\$60 per container			Washing/Steam Cleaning Containers	\$50 per Container		Approved Per Container
Hopper Storage	\$600 per hopper per year		Hopper Storage	\$600 per hopper per year		No Change	Hopper Storage	\$600 per hopper per year		No Change
Water	\$2 per 1000 Lts <i>(Min charge \$5)</i>		Water	At domestic tariff			Water	At domestic tariff		No Change

**Schedule 7: Current and Proposed FPCL Tariff Rates: Ancillary Charges**

**2009**

Name			Rate	COMMISSION'S AUTHORIZED TARIFF SEPTEMBER-2009
Water Connection	Per Service	\$20.00+overtime if applicable		Approved
Water Blaster	Per Hour	\$20.00		Approved
Electricity	Supply	At Domestic Tariff		Approved
	Single Phase Connection	\$12.00		
	Three phase Connection	\$20.00		
Gangway	Per Day	\$400.00		Approved
Storage Space	Per Sq M Per week or part Thereof	\$2.25		Approved
Meal Allowance		As Per Terms and Conditions of Employment		Approved
Transport Allowance	Per Trip	\$20.00		Approved

**NOTE:**

**MACHINERY HIRE**

Non Stevedoring	Price on Applicable	No Change
-----------------	---------------------	-----------

**EQUIPMENT HIRE**

Non Stevedoring	Price on Applicable	No Change
-----------------	---------------------	-----------

<u>Terms</u>	<u>Definitions</u>
<b>Berth priority:</b>	Vessels will have priority on berths as shown under "Berth Priorities" below based on a "first in" booking basis.
<b>Break bulk:</b>	Goods carried in a vessel in loose or unitized form, but not in containers.
<b>Bulk:</b>	Goods carried in a vessel in bulk form.
<b>Container:</b>	A Cargo container that meets ISO (International Standards Organization) dimensions; generally 6.1 metres or 12.2 metres in length.
<b>Customs:</b>	Fiji Islands Customs Service (FIRCA).
<b>Day:</b>	A full day or part thereof, beginning at 0800 hrs on Day 1 and ending at 0759 the next day.
<b>Demurrage:</b>	A charge levied on the owner of the cargo and collected from the owner where a container or break bulk cargo remains in the port precinct beyond the free time allowed by the port operator. Charges will include storage and a charge to remove such containers or cargo to a long term storage area or delivery to the cargo owner's transport.
<b>Empty Storage:</b>	The full Cargo Services Charge will apply to empty containers being received at or delivered from the wharf area, and charges will apply from the time the container is received into the terminal and loaded aboard the ship, or discharged from the ship and delivered from the terminal. Empty containers being transhipped directly from one ship to another, or moved around on the same ship, will be charged at a lower rate (less the Wharfage component).
<b>Exemptions:</b>	Marine Service Charge is not payable in respect of Government vessels or Naval vessels of any nationality, except where such vessels are used for commercial purposes. Where the Master of a foreign registered vessel holds a Pilotage Exemption Certificate for a port designated as a compulsory pilotage area, the Marine Service Charge will be adjusted to exclude the pilotage component.
<b>FEU:</b>	Forty foot Equivalent Unit: A container that meets ISO dimensions of 12.2 metres in length.
<b>Ferry Services:</b>	The use of a FPCL owned vessel for the ferrying of personnel to/from the port to/from a vessel within, or close outside, the designated port limits.
<b>Foreign Goods:</b>	Cargo destined for, or originating from, a place outside the Fiji Islands.
<b>Foreign Vessel:</b>	A vessel of foreign registration or a vessel registered in the Fiji Islands that trades to places outside Fiji's economic zone; a vessel registered in the Fiji Islands for which a Coastal Trade License has been issued but which, from time to time, plies to places outside Fiji's 200 mile zone.
<b>Free Time:</b>	Time during which cargo or a container may remain without charge within the port area for loading on an intended vessel or following discharge from a vessel. Free time shall mean three (3) days on a seven day week basis <b>including Saturdays, (but EXCLUSIVE of Public Holidays), and Sundays</b> In respect of imported cargo, the time shall commence <b>at the time of completion of the ship</b> . Free time will end after 72 hours elapsed time (except when a public holiday falls within that period). In respect of exports, the time will commence at 0800 hrs three (3) days prior to the intended vessel's expected time of arrival alongside the berth. FPCL reserves the right to vary this period for any reason, but shall give a minimum of three (3) days notice by advertising such change in the commercial sections of Fiji's national daily newspapers.

<u>Terms</u>	<u>Definitions</u>
<b>Fumigation:</b>	Excludes labour, water and electricity costs.
<b>Gate In/Gate Out:</b>	Receival and delivery of cargo/containers from/to shipper/consignee vehicle at the entrance/exit to the port (including empty containers).
<b>GRT/grt:</b>	Gross Registered Tonnes. A measurement of space in a ship, including its cargo carrying space, as set out in its Certificate of Registry and Certificate of Class.
<b>HMC Cargo:</b>	Cargo carried under bond, specifically cargo or containers loaded in a declared port of entry in Fiji, destined for another declared port of entry port in Fiji – i.e. Suva, Lautoka, Levuka, Malau, Wairiki or Rotuma only.
<b>Hour:</b>	Includes part of an hour.
<b>Incinerator:</b>	Rate excludes labour, meals, transport and any other payments if applicable.
<b>Inter-island Vessel:</b>	A local vessel used for the purpose of carrying cargo or passengers to destinations within the Fiji Islands.
<b>ISPS Security Vessels at anchor:</b>	Applicable only when FPCL conducts security rounds of vessels at anchor or moorings at the vessel owner's request.
<b>Local Goods:</b>	Goods carried to or from other places within the Fiji Islands.
<b>Local Vessel:</b>	A vessel, whether registered in the Fiji Islands or abroad, in respect of which a Coastal Trading License has been issued under the Marine Act and which trades solely between ports in the Fiji Islands; or an overseas fishing vessel currently licensed to fish in local waters and considered as a local vessels by Customs.
<b>Machinery:</b>	Includes excavators, forklifts, tractors, diggers and earth working equipment.
<b>Naval Vessel:</b>	A vessel of the Republic of the Fiji Islands Military Forces or the armed forces of another country.
<b>Non Compulsory Pilotage:</b>	Where the Master or owner's agent of a vessel requests the services of a pilot for navigation through an area not regulated as a compulsory pilotage area, a charge will apply for the transport of the pilot to the vessel and for the services of the pilot. Such charges are additional to charges levied for services in a compulsory pilotage area, if applicable.
<b>On-carriage:</b>	Cargo carried to its final destination by land under a through Bill of Lading.
<b>Out Port:</b>	A port at which services are provided by FPCL only on an "as needs basis" – specifically Levuka, Malau, Wairiki and Rotuma.
<b>Out Port Pilot:</b>	A pilot provided by FPCL who travels from his home port to board a vessel at an out port, or returns to his home port from an out port. Charges for this service include travel, accommodation and any applicable allowances. See "Out Port" above.
<b>Passenger Vessel:</b>	A vessel primarily designed and used for the carriage of passengers.
<b>Pool B Machine Hire:</b>	Where FPCL or PTL hire any additional machinery for extraordinary tasks at the request of a third party.
<b>Pre-arranged Storage:</b>	Storage for cargo or containers outside the allowable free time, by arrangement in advance between the ship's agent or cargo owner and FPCL.
<b>Revenue Tonne:</b>	Measurement of cargo as used by the operator of the import or export vessel in calculating freight, normally being one cubic metre or tonne (1000 Kg.). <b>To ensure consistency the manifested measurement used to calculate the freight rate will be applied by Fiji Ports.</b>

<u>Terms</u>	<u>Definitions</u>
<b>Shifting:</b>	The removal of a vessel in the port or anchorage to some other place in the same port or anchorage, including unberthing or berthing at a wharf or buoys, or unberthing and anchoring, or weighing anchor and re-anchoring.
<b>Shift on Board:</b>	Internal re-stow of a vessel's cargo or containers.
<b>Stevedoring Charge:</b>	A charge levied by PTL for the loading/unloading of cargo or containers onto or off a vessel. The charge is inclusive of labour, meals, travel, gear hire, etc.
<b>Storage:</b>	The storing of cargo or containers in prescribed storage areas or buildings within the port area or in off-wharf areas controlled by FPCL.
<b>Storage – Empty Containers:</b>	The chargeable storage period for an empty container stored on FPCL's premises awaiting loading onto a vessel shall be deemed to have ended when that vessel berths at the port in which the container is stored. No further charges will be incurred regardless of the length of period that elapses until the container is loaded aboard the vessel.
<b>Space:</b>	Where a person is granted space on FPCL's premises for the purpose of: sorting goods; steam cleaning; fumigation; container cleaning; storing pallets and cargo gear; any other similar function; he shall pay to FPCL charges calculated per rate or part of a week for each square metre of space so granted.
<b>Stuffing/Unstuffing:</b>	Applicable mainly to the loading of containers with fish for export.
<b>TEU:</b>	Twenty foot Equivalent Unit: A container that meets ISO dimensions of 6.1 metres in length.
<b>Tonne:</b>	Includes part of a tonne: When used in reference to cargo, means 1000 litres of bulk liquid cargo; for dry cargo, means 1000 kilograms.
<b>Transshipment:</b>	Goods or containers landed from a foreign port and consigned to another foreign port on a through Bill of Lading which are loaded and re-shipped at the same port without leaving the control of Customs while in a port in the Fiji Islands. Such cargo must be declared to FPCL prior to the inward vessel's arrival. Failure to do so will result in normal import cargo charges being applied.
<b>Wharf Cleaning:</b>	Cleaning of wharf after discharge of wheat, coal, clinker or fertilizer.
<b>Washing:</b>	Includes empty containers inclusive of labour and water charges.
<b>Year:</b>	Includes part of a calendar year.
<b>Note:</b>	Where an existing tariff item/interpretation is not written into this tariff, the existing tariff/interpretation is applicable if captured from the former MPAF or FPCL Tariffs.

**BERTHING PRIORITIES:**

Unless extenuating circumstances dictate otherwise, the following priority shall determine the order in which vessels will be allocated to berths within the ports under the control of FPCL:

- (a) Passenger vessels (being foreign registered passenger cruise ships).
- (b) Container vessels of shipping principals who have entered into a "berthing window" contract with FPCL.
- (c) Roll on/roll off vessels.
- (d) Container vessels; roro/lolo vessels and multipurpose vessels.
- (e) Other cargo vessels (excluding liquid bulk tankers).
- (f) Liquid bulk tankers.
- (g) Vessels of the armed services of Fiji or any other nation.
- (h) Research vessels.

- (i) Other vessels.

**In deciding the priority of vessels, as above, FPCL shall have regard to the following factors:**

- (a) The interests of the safety of the port.
- (b) The need for the safe and fast handling of dangerous substances or hazardous cargoes.
- (c) The efficient operation of the port.
- (d) Any urgent medical attention required by a person aboard a vessel.

**Terms**

**Definitions**

**ANCHORAGE CHARGE:** Previously a charge was levied for all vessels and was applicable for every 30 days (or part thereof) the vessel remained at anchor. Under the new tariff schedule, vessels anchoring within port limits awaiting a berth for the purposes of loading/discharging cargo or passengers will NOT be liable to this charge. The anchorage charge will apply ONLY vessels using the anchorage as a "layup" refuge; safe haven; landing goods or passengers; taking stores or fresh water while at anchor; waiting to access the slipway or floating dock, etc, without berthing.

**PILOT STANDBY CHARGE:** No longer applicable.

**MOORING:** This charge (in addition to standard lines boats charges) was previously levied when vessels lines were placed on buoys or dolphin bollards. This additional charge will no longer apply – only the standard mooring charge detailed in the schedule above will apply, regardless of the bollard setup.

**Explanation of Charges**

While all monies collected from port tariffs are consolidated into one account, historically the separate charges are levied for the following purposes:

**Port Dues:** For the maintenance of in-port navigation infrastructure (beacons, buoys, etc) and to help meet the cost of dredging etc necessary to maintain berth and channel depth.

**Pilotage:** To cover the costs associated with providing pilot services to visiting vessels, including the cost of a pilot; boat crews; operating expenses of boats, etc.

**Mooring:** For the provision of boats and manpower required to handle the mooring lines of vessels on arrival and departure. These services are currently contracted in by Fiji Ports and the charge currently levied is expended in full.

**Marine Service Charge (MSC):** Under the proposed changes, MSC is a combination of the above charges.

**Dockage:** A charge per gross registered tonne (grt) per hour alongside a berth or wharf (a parking fee) used to defray costs associated with the repair and maintenance of berthing and wharf infrastructure.

**Stevedoring:** A charge to defray the cost of loading/unloading a vessel – includes labour; use of cranes, plant and machinery necessary to move cargo to and from shipside, etc. Fiji Port's charge in this respect is low by world standards.

**Environment Levy:** Collected by Fiji Ports on behalf of the Fiji Islands Marine Safety Administration (FIMSA) to generate a fund for the provision of containment equipment, response and training to react to any incidents of actual or potential threat to the marine environment.

All of the above are levied against the ship owner.

Terms

Definitions

**Wharfage:** A charge based on tonnage or per container to defray the costs associated with repair and maintenance of wharf structures and cargo handling areas. This charge is currently levied 65% against the ship and 35% against the cargo consignee. It is proposed that the consignee pay 100% of the charge, the additional amount being offset by a dollar for dollar reduction in the ship owner imposed "port services charge"

**NOT APPROVED**

**ISPS:**

International Ship and Port Facilities Security Code

An international required port and ship security standard applicable to all ports accessed by foreign trading vessels.

**ISPS Non Compliant Vessels:** Those vessels that do not need or do not meet all the ISPS requirements.

**Security Charge ISPS:** A charge levied to provide any extra security required by ISPS Compliant vessels (e.g. passenger vessels) or special security provisions for ISPS Non compliant vessels using the facilities within a designated ISPS secured area.

**ISPS Compliant Vessel at Anchor:** A charge applicable to ISPS Compliant vessels at anchor that request the provision of a waterborne security service.

**Cruise Liners:** Foreign registered passenger cruise vessels.

**Empty Containers:** 20ft or 40ft containers not containing any cargo but which are loaded discharged to/ from a vessel or stored in the container terminal.

**Tinker Packs:** Special packs of timber generally matching the size of 20ft containers in terms of length and breadth. (also known as master packs)

**Motor Vehicles:** RoRo (Roll on/Roll off) – motor vehicles that are discharged by being driven down a ramp.

LoLo (Lift on/ Lift off) – motor vehicles that are lifted from a vessel by crane.

**General Cargo:** Any cargo not containerized or in bulk liquid form.

**Steel Products:** Any steel products such as pipes, rods, etc., generally used for fabrication or construction work.

**Dry Bulk:** Any cargo loaded by conveyor belt (e.g. sugar, woodchips) or discharged using grabs (e.g. cement clinker).

**Liquid bulk:** Petroleum products or bitumen, etc. discharged from tankers.

**Local cargo:** Any cargo carried between Fijian ports not subject to Customs control.

**HMC:** Her Majesty's Customs a term applied to cargo carried between Fijian ports by sea or by road which is under Customs control.

**Prearranged Storage:** Generally applies to cargo in long term storage in Fiji Ports facilities for which application has been made in advance.

**Handling Received / Delivery:** A charge levied for the handling of cargo (e.g. on or off trucks) using Fiji Ports equipment when delivered to a port for export or collected from the wharf.

**Break bulk Cargo:** Any cargo, other than dry or liquid bulk that is not containerised – includes large machinery (e.g. earthmoving equipment but not motor cars).

**Freezer:** A charge levied on any cargo stored in Fiji Ports freezer facility.

**Reefer Power Supply:** Power supplied to operate reefer (refrigerated) containers stored in the container terminal.

<u>Terms</u>	<u>Definitions</u>
<b>Fumigation:</b>	A charge levied on any cargo that is ordered by quarantine to be fumigated whilst on Fiji Ports land.
<b>Incinerator:</b>	Fiji Ports provides incinerator facilities for quarantine waste. These facilities are also used by the Ministry of Health for the disposal of hospital waste
<b>Weighbridge:</b>	A facility for the weighing of trucks etc. provided by a private operator but located on Fiji Ports property
<b>Washing / Steam Cleaning Containers:</b>	A charge levied for the cleaning of containers by steam cleaning either on the request of owners or on the order of quarantine officials.

THE END