



# **Fiji Ports Corporation Limited**

**Submission to Review International Port Tariffs**

**August 2021**



---

## Background

### i. Company Incorporation

#### *Fiji Ports Corporation Limited*

Fiji Ports Corporation Limited commenced operations on 1 July 2005 after two major reforms in the Port industry. More commonly referred to as the Ports Authority of Fiji (PAF), Fiji Ports Corporation Limited was registered as a company on 18 August 2004 and operates under the Seaports Management Act 2005.

Fiji Ports Corporation Limited (FPCL) is the Port Management Company in Fiji and also plays a regulatory role. FPCL maintains ownership and operation of Suva, Lautoka and Levuka wharves, whilst overseeing the operations and International Ships & Ports Security (ISPS) Code requirements for the following Ports:

- ▶ Malau Wharf, Labasa;
- ▶ Rotuma Port;
- ▶ Wairiki Wharf, Nabouwalu; and
- ▶ Vuda, Lautoka.

Other functions of FPCL include:

1. Administration of its associate/subsidiary companies: Fiji Ports Terminal Pte Limited and Fiji Ships and Heavy Industries Pte Limited;
2. Management of local wharves; and
3. Management of its property portfolio.

The shareholders of FPCL are:

Shareholding	Interest
Government of Fiji	41%
Fiji National Provident Fund	39%
Aitken Spence PLC	20%
<b>TOTAL</b>	<b>100%</b>

The Directors of the Company at the date of this report are:

- ▶ Shaheen Ali;
- ▶ Tupoutua'h Baravilala;
- ▶ Vilash Chand;
- ▶ Vijay Maharaj;
- ▶ Niranjawan Chettiar;
- ▶ Ashnil Prasad;
- ▶ Tevita Kuruvakadua;
- ▶ Parakrama Dissanayake; and
- ▶ Iqram Cuttilan

### ii. FPCL Foreign Vessel Tariff Structure

The tariff rates for foreign vessels have been detailed in **Appendix A**.

### iii. Location and description of the port

Fiji Ports Corporation Limited's registered office is at Muaiwalu House, Lot 1 Tofua Street, Walubay, Suva. The office is centrally located near the Suva harbor area being placed at the northern end of Kings Wharf and in between Kings Wharf and the Walu Bay jetties. The port of Suva is the biggest port in Fiji.



---

## Introduction

Fiji Ports Corporation Limited has embarked on a vision to make Fiji Ports a Smart and Green Gateway for trade in the Pacific region. As part of its efforts, the company has developed and deployed a 5-year strategic plan 2019-2023, that is aimed at increasing the port capacity as well as modernizing our port operations.

FPCL has already started its work in implementing its 5-year strategic plan deliverables. The company is estimated to invest over \$17m in container Yard developments, over \$40m in multiple wharf rehabilitation projects, over \$3m in Vessel Traffic Management System, and many other capital expenditures in the coming years.

Given the current tariffs, FPCL will not be able to invest into such projects, hence the company has submitted a proposal to review the tariffs. However, the company is conscious of the COVID 19 Pandemic, and benchmarked FPCL tariffs with other competing ports in the Pacific to ensure that Fiji does not lose its competitive edge in the region.

To justify the increase in tariff rates, an analysis of return on investment for the Company is considered against benchmarks. An analysis of tariff rates against other ports in the Pacific including New Zealand was also considered as a correlation with an acceptable return on investment.

## Proposed Increase in Tariffs

Considered the impact of the requested increase on the comparability of Fiji port charges to that of nearby Pacific ports, New Zealand and Pacific island states.

Ports selected for comparison and the reasons for the selection are as follows:

- 1) Samoa
- 2) Solomon Islands
- 3) Port of Papua New Guinea
- 4) Port of Tauranga
- 5) Port of Vanuatu

### i. Marine Services Charges

These charges apply to all ships that enter a port. As soon as a ship approaches a port and gives a call to the harbour master, these charges become applicable and the shipping company becomes liable to pay for these charges. These charges would include port dues, mooring, anchorage etc.

There is spread in the charges established by the competing ports. A number of FPCL's marine service charges are in the mid-range when compared to other competing ports. Apart from marine service charges for Vanuatu, FPCL offers cheaper rates for pilotage shifting and mooring buoying charges. The majority of costs incurred by FPCL are from providing marine service to vessels.

Seek a **10% increase in tariff** for marine service charges. This increase will still allow FPCL to compete with the other Pacific Island countries and still be competitively priced.

### ii. Wharfage and dockage charges

Wharfage charges refer to the fees charged by FPCL at the wharf for loading and unloading of cargo. FPCL provides wharfage charges for full, empty containers, containers which are transhipped and break-bulk cargos.

Dockage charges are charged to vessels which berth at the port in docks. It is basically the cost of using the dock.

FPCL generally offers cheaper tariffs compared to the competing ports. The charges have been calculated based on the average containers that have entered into Fiji for the years ended 2015 to 2019.

Seek a **tariff increase of 30% for wharfage charges**. With this increase, FPCL will still be cheaper.

FPCL does not seek any increase in dockage charges.

---

### iii. Security and Ancillary Charges

Security charges are charged on hiring of security guards to monitor the vessel when docked at the port.

Ancillary charges are any other charges involved in FPCL operations but not directly related to the primary operations of the port.

FPCL generally offers cheaper tariffs compared to the competing ports. For the water and electricity rates, FPCL charges commercial tariff rate set by Energy Fiji Limited and Water Authority of Fiji and does not make any margin on this. There are a number of costs associated with providing electricity such as running power lines to the vessels which gets damaged and breakdown.

Seek a **30%** increase on the total cost that will enable the Company to cover its high costs relating to the repairs and maintenance associated with providing these services.

## CONCLUSION

Fiji Ports Corporation Limited strategic plan for the next 5 years raises a need to increase port tariff income for marine service charges by a minimum rate of 10% while wharfage and utilities charges to be increased by a minimum of 30%. The Company's revised foreign vessel tariff rates schedule attached as **Appendix B**.

While developing the tariff proposal, the company has consciously considered the current business climate and as such has undertaken an exercise to benchmark the FPCL tariffs to that of the competing ports in the region. Based on this analysis, the rates proposed by FPCL are competitive and will maintain Fiji's status in providing an affordable and modern port services to our stakeholders.

---

# Appendices

## Appendix A – 2015 FPCL International Vessel Tariff Rates

<b>Marine Service Charge</b>	per GT	Lautoka & Suva	\$0.286 * GT + \$1,048
	per GT	Other ports	\$0.286 * GT + \$1,798
<b>Pilotage - out of port (Compulsory)</b>	per GT		\$0.1495 per GT
<b>Pilotage Shifting</b>	per GT		\$0.06 * GT + \$325
<b>Anchorage</b>	per 100GT or part thereof		\$5 per 100GT per day for the 1st 7 days,
			\$12.5 per 100GT per day for the next 7 days,
			\$20 per 100GT per day from day 15.
<b>Ferry service - outside port limits</b>	per nautical mile		\$27.95
<b>Ferry service - within port limit</b>	per trip		\$300.00
<b>Lines boat assisted berthing (fishing vessels)</b>	per berth		\$200.00
<b>Pilot standby charge</b>	per hour		\$95.00
<b>Mooring Buoy Charge</b>	per 100GT or part thereof		\$7.50 per 100GT per day for the 1st 7 days,
			\$18.75 per 100GT per day for the next 7 days,
			\$30.00 per 100GT per day from day 15.

<b>Wharfage Charges</b>		
<b>Containers - Full</b>		
<b>TEU - 20ft</b>	per container	\$70.00
<b>FEU - 40ft</b>	per container	\$98.00
<b>Containers - empty</b>		
<b>TEU - 20ft</b>	per container	\$14.00
<b>FEU - 40ft</b>	per container	\$19.60
<b>Containers - transhipment</b>		
<b>TEU - 20ft</b>	per container	\$51.17
<b>FEU - 40ft</b>	per container	\$71.64
<b>Bulk Cargo</b>		
<b>Break bulk</b>	per MT/M3, whichever is greater	\$5.00
<b>Dry Bulk</b>	per metric tonne	\$2.10
<b>Liquid Bulk (inc. gas)</b>	per metric tonne	\$2.10
<b>Motor Vehicles (inc transhipment)</b>	per m3	\$5.39

<b>Fish Discharge</b>	per metric tonne	\$5.22
<b>Dockage Charges</b>		
<b>Dockage (all vessels excl. cruise)</b>	per 100 GT per hour	\$2.72 per 100 GT per hour
<b>Cruise Vessels Only</b>	per 100 GT per hour	\$2.34 per 100 GT per hour
<b>Security Charges</b>		
<b>ISPS non-compliant vessels</b>	per hour	\$25.00
<b>Cruise Liners</b>	per hour	\$110.00
<b>Bulk Vessel/Barge</b>	per day	0 to 2 days: \$40.00 per day
	per day	3 to 4 days: \$25.00 per day
	per day	5 to 6 days: \$10.00 per day
<b>ISPS compliant vessels at anchor</b>	per hour	\$100.00 (only if requested)

<b>Ancillary Charges</b>			
<b>Special Storage - (Non- dedicated storage area)</b>	Per container per day		\$64.50 - 20FT and \$129.00 40FT
	Per MT/m3 per day		\$2.50 per m3/ metric tonne which one is greater
<b>Electricity</b>	Supply		At domestic tariff
	Single phase connection		\$12.00 per connection
	three phase connection		\$20.00 per connection
<b>Incinerator</b>	Per bum hour		\$32.25
<b>Water</b>	Overseas	Supply per 1000L	\$2.35 per 1000 litres (min charge \$5)
	Local	Supply per 1000L	\$2.00 per 1000 litres (min charge \$5)
	Connection	Per service	\$20.00



## Appendix B – Proposed rates

Type of Service	Existing charges (VEP)	% increase	Proposed new rates (VEP)
<b>Marine Service Charge</b>	\$0.286 * GT + \$1,048 (Suva and Lautoka)	10%	\$0.315 * GT + \$1,152 (Suva and Lautoka)
	\$0.286 * GT + \$1,798 (Outer ports)	10%	\$0.315 * GT + \$1,978 (Outer ports)
<b>Pilotage - out of port (Compulsory)</b>	\$0.1495 per GT	10%	\$0.1645 per GT
<b>Pilotage Shifting/ Additional Pilotage Movement</b>	\$0.06 * GT + \$325	10%	\$0.07 * GT + \$358
<b>Anchorage</b>	\$5.00 per 100GT or part thereof per day for the 1st 7 days,	10%	\$6.00 per 100GT or part thereof per day for the 1st 7 days,
	\$12.50 per 100GT or part thereof per day for the next 7 days,	10%	\$13.75 per 100GT or part thereof per day for the next 7 days,
	\$20.00 per 100GT or part thereof per day from day 15.	10%	\$22.00 per 100GT or part thereof per day from day 15.
<b>Ferry service - outside port limits</b>	\$27.95 per nautical mile	N/A	\$2,700 per trip
<b>Ferry service - within port limit</b>	\$300.00 per trip	50%	\$450.00 per trip
<b>Lines boat assisted berthing or unberthing</b>	\$200.00 per berth	10%	\$220.00 per berth
<b>Pilot standby &amp; travelling charge</b>	\$95.00 per hour or part thereof	10%	\$105.00 per hour or part thereof
<b>Mooring Buoy Charge</b>	\$7.50 per 100GT per day or part thereof for the 1st 7 days,	10%	\$8.25 per 100GT per day or part thereof for the 1st 7 days,
	\$18.75 per 100GT per day or part thereof for the next 7 days,	10%	\$20.65 per 100GT per day or part thereof for the next 7 days,
	\$30.00 per 100GT per day or part thereof from day 15.	10%	\$33.00 per 100GT per day or part thereof from day 15.

### Proposed Wharfage charges

Type of Service		Existing charges (VEP)	% increase	Proposed new rates (VEP)
<b>Containers - Full</b>				
TEU - 20ft	per container	\$70.00	30%	\$91.00
FEU - 40ft	per container	\$98.00	30%	\$127.40
<b>Containers - empty</b>				
TEU - 20ft	per container	\$14.00	30%	\$18.20
FEU - 40ft	per container	\$19.60	30%	\$25.50
<b>Containers - transhipment</b>				

<b>TEU - 20ft</b>	per container	\$51.17	30%	\$66.52
<b>FEU - 40ft</b>	per container	\$71.64	30%	\$93.13
<b>Bulk Cargo</b>				
<b>Break bulk</b>	per MT/M3, whichever is greater	\$5.00	30%	\$6.50
<b>Dry Bulk</b>	per metric tonne	\$2.10	30%	\$2.73
<b>Liquid Bulk (inc. gas)</b>	per metric tonne	\$2.10	30%	\$2.73
<b>Motor Vehicles (inc transhipment)</b>	per m3	\$5.39	30%	\$7.01
<b>Fish Discharge</b>	per metric tonne	\$5.22	30%	\$6.79

### Proposed utilities charges

Type of Service		Existing charges	% Increase	Proposed new rates
<b>24 Hour security service</b>	Per vessel			\$950 + VAT for each vessel
<b>Incinerator</b>	Per burn	\$32.50 per burn	115%	\$70 per burn
<b>Rubbish bin</b>	Per vessel			\$60
<b>Electricity</b>	Supply	At domestic tariff	30%	At domestic tariff plus 30% mark up
	Single phase connection	\$12.00 per connection	30%	\$15.60 per connection
	three phase connection	\$20.00 per connection	30%	\$26.00 per connection
<b>Water</b>	Overseas (Supply per 1000L)	\$2.35 per 1000 litres (min charge \$5.00)	30%	\$3.05 per 1000 litres (min charge \$6.50)
	Connection	\$20.00 per service	30%	\$26.00 per service

Word	Definition
<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 Revenue Customs Service (FRCS).
<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 in 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 transshipped 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>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 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>Fumigation:</b>	Excludes labour, water and electricity costs.
<b>GT:</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>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:</b>	Applicable only when FPCL conducts security rounds of vessels at anchor or
<b>Vessels at anchor:</b>	Moorings at the vessel owner's request.
<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 outport. Charges for this service include travel, accommodation and any applicable allowances. See "Out Port" above.
<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). To ensure consistency the manifested measurement used to calculate the freight rate will be applied by Fiji Ports.
<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>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:</b>	The chargeable storage period for an empty container stored on FPCL's

<b>Containers:</b>	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 loading 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>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>	<i>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.</i>

### **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:

<b>Charges</b>	<b>Explanation</b>
<b>Port Dues:</b>	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.
<b>Pilotage:</b>	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.
<b>Mooring:</b>	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.
<b>Marine Service Charge (MSC):</b>	Under the proposed changes, MSC is a combination of the above charges.

<b>Dockage:</b>	A charge per gross registered tone (GT) per hour alongside a berth or wharf (a packing fee) used to defray, costs associated with the repair and maintenance of berthing and wharf infrastructure.
<b>Stevedoring:</b>	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.
<b>Wharfage:</b>	A charge based on tonnage or per container to defray the costs associated with repair and maintenance of wharf structures and cargo handling areas.
<b>ISPS:</b>	International Ship and Port Facilities Security Code. An international required port and ship security standard applicable to all ports accessed by foreign trading vessels.
<b>ISPS Non-Compliant Vessels:</b>	Those vessels that do not need or do not meet all the ISPS requirements.
<b>Security Charge ISPS:</b>	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.
<b>ISPS Compliant Vessel at Anchor:</b>	A charge applicable to ISPS Compliant vessels at anchor that request the provision of a waterborne security services.
<b>Cruise Liners:</b>	Foreign registered passenger cruise vessels.
<b>Empty Containers:</b>	20ft or 40ft containers not containing any cargo but which are loaded discharged to/from a vessel or stored in the container terminal.
<b>Timber Packs:</b>	Special packs of timber generally matching the size of 20ft containers in terms of length and breadth (also known as master packs).
<b>Motor Vehicles:</b>	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.
<b>General Cargo:</b>	Any cargo not containerized or in bulk liquid form.
<b>Steel Products:</b>	Any steel products such as pipes, rods, etc, generally used for fabrication or construction work.
<b>Dry Bulk:</b>	Any cargo loaded by conveyor belt (e.g. sugar, woodchips) or discharged using grabs (e.g. cement clinker).
<b>Liquid Bulk:</b>	Petroleum products or bitumen, etc, discharged from tankers.
<b>Break bulk Cargo:</b>	Any cargo, other than dry or liquid bulk that is not containerized – includes large machinery (e.g. earthmoving equipment but not motor cars).
<b>Freezer:</b>	A charge levied on any cargo stored in Fiji Ports freezer facility.
<b>Reefer Power Supply:</b>	Power supplied to operate reefer (refrigerated) containers stored in the container terminal.
<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.