

# REFORMING PORTS FOR RIVALRY IN SOUTH AFRICA

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## ABSTRACT

The National Ports Authority (NPA) has recently concessioned a range of monopoly port terminals, often in joint ventures with a single terminal operator partner for 25-year lease periods. At least two of the NPA's decisions have been contested in the courts by rival bidders. In circumstances where international experience shows that ports at the scale of South Africa's can host a number of terminal operators, NPA runs the risk of harming the interests of consumers. This is because monopolies typically charge higher prices, provide lower quality services, and innovate less. An important short-term intervention is for the ports regulator to establish an ex-ante regulatory framework to ensure that the NPA plans for intra-port rivalry at South African ports. In the longer-term, it may be possible to separate ports to deliver inter-port competition in South Africa, as was the case prior to 1910, when rival ports competed fiercely for cargo.

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