MEDIA RELEASE

Stevedoring and handling services under review

The Independent Consumer and Competition Commission (ICCC) has released an Issues Paper on its review into the charges for stevedoring and handling services.

In releasing the Issues Paper, the Commissioner of the ICCC, Dr Billy Manoka said: “The review is aimed at assessing the current level of competition in the market, the need for continued economic regulation of these services and the most appropriate form of any such regulation”.

Dr Manoka added: “The Issues Paper identifies and discusses the issues that the Commission considers relevant to its assessment of the competitiveness of the market and the need for regulation. The Commission will also consider the interaction of stevedoring and handling services with related sectors such as shipping and ports as these sectors influence each other and, together, play a significant role in the ongoing economic development of PNG. These key industries facilitate trade both within PNG and between PNG and our international trading partners. Through this review and its regulatory and enforcement functions, the ICCC will endeavour to secure efficiency in the stevedoring sector to enhance the efficiency of the waterfront and shipping industries, which it considers have significant room for improvement. An efficient waterfront and shipping sector would mean that PNG gains efficient access to international markets for both imports and exports”.

Some of the key issues which will be considered as part of this review are:
• the introduction of Stevedoring Access Agreements and Terminal Management contracts;
• the use of Mobile Harbour Cranes and Rubber Tyred Gantry;
• the vertical integration in the market (ownership levels of stevedores by ship operators);
• market concentration (number and size distribution of stevedores in the market);
• countervailing power and barriers to entry to the market;
• innovation and growth in the market; and
• If regulation is required to be continued, the form it should take.

“We will rigorously assess these issues to ensure that any regulatory arrangements, if found to be required by the Commission by this review process, will protect the long term interests of consumers”.

“Industry and consumer comments on the Issues Paper and how best to regulate stevedoring and handling services are vital elements of our review process” Dr Manoka said.

The release of the Issues Paper is the first step of the Commission’s public consultation program. The general public will be given further opportunity to comment on these matters prior to the release of the Final Report and Final Determination being made.

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For further information, contact Dr Billy Manoka on 3252144 or email bmanoka@iccc.gov.pg.

Backgrounder

The Independent Consumer and Competition Commission (ICCC) is a statutory body established under the provisions of the Independent Consumer and Competition Commission Act 2002 (‘ICCC Act’). The Commission’s roles and responsibilities are primarily to promote competition and fair trading, regulate prices of declared goods and services, promote economic efficiency, and protect consumers’ interests.
As part of its role of regulation of the prices or charges for certain declared goods and services, the Commission is responsible for regulating charges for stevedoring and handling services. These charges were declared by the Minister for Treasury under Sections 10 and 32A of the Prices Regulation Act for the purpose of price regulation. The Commission completed the first major review into the stevedoring and handling services in June 2008 with the release of the Final Report and determinations. Those determinations, which are contained in the Final Report, will expire on 30th June, 2013. Hence, the Commission is required to undertake a review to decide whether it is necessary to continue to regulate charges for stevedoring and handling services and, if so, the form such regulation should take.