



INDEPENDENT CONSUMER & COMPETITION COMMISSION

PUBLIC NOTICE

RELEASE OF THE FINAL REPORT FOR THE 2023 STEVEDORING AND HANDLING SERVICES PRICING REVIEW

The Independent Consumer & Competition Commission ('**ICCC**') wishes to inform all stakeholders of the Stevedoring and Handling Industry including the general public about the release of the **Final Report** for *the 2023 Stevedoring and Handling Services Pricing Review (review)*.

The ICCC commenced this review on 24th March 2023, and following completion of the first round of consultations, a Draft Report was released on 4th October 2023. Following the release of the Draft Report, the ICCC received a number of comments and submissions from the industry. Based on those comments and submissions, together with the ICCC's own analysis and key findings, the ICCC has made its final determinations which are captured in the Final Report.

One of the ICCC's main determination is that rates for stevedoring and handling services applying to international containerised cargoes at Motukea Port and in the Lae Tidal Basin wharf will be regulated. As part of this determination, the ICCC has determined that the maximum average prices will apply for stevedoring and handling services provided by the International Container Terminal Services Incorporated ('**ICTSI**') through its subsidiaries, Motukea International Container Terminal Limited ('**MITL**') in Motukea; and South Pacific International Container Terminal Limited ('**SPICTL**') in Lae.

Based on this pricing review, the maximum average prices (**MAP**) for MITL and SPICTL will substantially decrease in 2024, as shown below.

Operator and Port	2023 Average price	2024 Maximum average price
MITL – Motukea	K572 per TEU	K308 per TEU
SPICTL – Lae Tidal Basin	K656 per TEU	K293 per TEU

MITL and SPICTL are at liberty to vary their specific prices for specified regulated services so long as they do not exceed the MAP determined by the ICCC. The MAP for MITL and SPICTL will be effective as of **1st January 2024**.

A Prices Order detailing the MAP for 2024 is published in the National Gazette. A copy of the **Gazettal Notice No. G959 of 05th December 2023**, publishing the 2024 Prices Order, can be obtained from the Government Printing Office or from the ICCC.

The ICCC understands that when the Government of PNG invested in the new wharves at Lae and Motukea in Port Moresby, Kumul Consolidated Holdings Limited (KCHL) decided to outsource the management of these wharves to an efficient operator. The objective was to create a more economically efficient service. It was envisaged that the scale of these operations would mean that ultimately the people of PNG would receive a better service at a lower unit cost. However, due to the high prices charged by MITL and SPICTL, so far this had not been the case. With the

introduction of the price controls determined by this review, prices at Lae and Motukea are likely to be lower than anywhere else in PNG. MITL and SPICTL will still earn a fair return on their investment.

The ICCC expects that the implementation of the price controls will fulfil the Government's initial objective for these two wharves.

Those interested in obtaining a copy of the Final Report and Gazettal Notice on the Prices Order can do so by contacting **Mr. Jack Timi**, Executive Manager - Prices and Productivity Division, or **Mr. Thomas Vue**, Manager - Prices on 312 4600 or via email on jtimi@iccc.gov.pg, or tvue@iccc.gov.pg. A soft copy of the Final Report and the 2024 Prices Order can also be downloaded from the ICCC's website at www.iccc.gov.pg.

Authorised by



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MR. PAULUS AIN

Commissioner and Chief Executive Officer

08th December 2023