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The Voyage

Pakistan's First Quarterly Intermodal Industry Newsletter



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 **MAERSK**
LINE

Message from Federal Minister for Commerce



*Khurram Dastgir Khan
Federal Minister for Commerce*

Congratulations to All Pakistan Shipping Association (APSA) and its members for this excellent endeavor to impart information about ports and shipping business sector and highlight new developments in the industry.

Strengthening linkages between local industry and our export competitiveness in the foreign markets has been a mandate of Ministry of Commerce. The Government of Pakistan has, therefore, taken a conscious decision to realign geo-strategic and geo-economic priorities of Pakistan. Trade integration with South Asia, China, CIS and ECO countries is likely to increase the volume of trade flows across our land borders. Our prominent success so far is the game-changing “Economic Corridor” project with China and the establishment of Pakistan Land Ports Authority.

To cope with the energy crisis of Pakistan the new upcoming ‘Coal Power Projects’ in the country will not only require a better rail and road infrastructure but also efficient transport services to ensure an uninterrupted fuel supply to power plants. Further, new initiatives of government to establish Land Port Authorities under its Integrated Transit Trade Management System (ITTMS) at various international borders equipped with online customs support will enhance the efficiency of inter modal transportation across the region. The government is also actively considering to ratify the implementation of TIR Convention which will open more avenues of business and trade for Pakistan in the region and will encourage local players to gain access to foreign markets.

I appreciate APSA for their efforts in the promotion of transport business in the country and their active role to represent Pakistan at various international platforms. I trust APSA will continue its endeavors to regularly publish their magazine ‘The Voyage’, which is of great value for stakeholders in the industry and a new milestone in the multimodal transport business of Pakistan.

Chairman's Message

It gives me great pleasure to write my message in the 3rd edition of our newsletter - 'The Voyage'. This newsletter has been extremely well received by both the trade and industry. The newsletter provides the opportunity for both the Intermodal trade to find out the new trends and practices in our industry, as well as the trade to better understand the Intermodal industry and our services. I am truly grateful to the members of our association and the previous office bearers who participated in creating this unique communication tool for the association to spread its message and enhance the association's image amongst all the stakeholders.

I would also like to take this opportunity to thank the members of APSA for their increased participation in meetings and discussions, and for their individual and corporate contribution of both time and resources to help resolve industry related issues for the common good of the trade and industry. With a very difficult working environment in terms of new provincial tax levies and terminal congestion, APSA is working day and night to ensure that our point of view is taken into consideration by all decision makers, and that the trade of Pakistan flows through our ports with maximum efficiency and minimum disturbance.

I welcome the new officer bearers and look forward to working with them to create a better working environment for not just our members but for our customers as well.

Asim Siddiqui
Chairman

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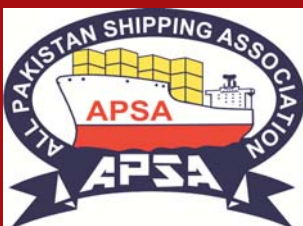
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Indus Container Line

Interocean Cargo Services
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Safmarine
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Muskan Container Lines
OOCL Pakistan
Pak Shaheen Container Services
Pak Shaheen Freighters
Pakistan International Container Terminal (PICT)
Qasim International Container Terminal (QICT)
Sharaf Shipping Agency
Transworld Cargo Despatch
Yang Ming Marine Transport

NEWS IN MEDIA

From the Monitoring Desk

Pakistan Receives EOI for LNG Supply

Pakistan has received a tremendous response over its open tender seeking supply of 400 million metric cubic feet per day liquefied natural gas that will be handled in the Engro's terminal being installed by March 31, 2015 at Qasim Port, Karachi.

About 12 international companies belonging to US, Dubai, UK, Singapore, Turkey and France and one Pakistani company have submitted their expression of interests (EOIs), revealed the document available with The News.

"The government wants to kill two birds with one stone through tender; one is to get the lowest price of LNG and second is pitch the same price before Qatari authorities for import of 200 mmcf LNG on government to government basis," a senior government official was quoted as saying. To negotiate the LNG price talks with authorities in Qatar, "We have constituted the team and to this effect, in the next ECC (economic coordination committee) meeting, the team will be approved."

In the summary, secretary finance, secretary law, secretary water and power, secretary petroleum and natural resources, Pakistan State Oil Managing Director and other relevant officers have been proposed. Earlier PSO and Qatari authorities have already discussed the heads of agreements for import of LNG.

And in case no deal is done with Qatar, then Pakistan will go for import by the short listed companies through tendering process. Pakistan's original plan is to import 200 mmcf LNG through tender and 200 mmcf from Qatar under government-to-government arrangement. Earlier, the government of Qatar had offered to Pakistan LNG at \$ 17-18 per million metric British thermal unit. Pakistani authorities concerned want to import LNG from Qatar at a cost not more than \$14-15 per mmbtu. However, India has earlier managed to import LNG from Qatar at \$ 10-12 per MMBTU.

PIBT Stands to Gain as Country's First Coal Terminal

With the government focus on new coal-fired power plants to solve country's power shortage, Pakistan International Bulk Terminals (PIBT), stands to gain as the first coal terminal in the country, said a press statement. Recently listed on the Karachi Stock Exchange PIBT was the highest traded scrip on a day as market interest peaked in this stock.

Given 6 new 660 MW power plants announced in Punjab and several conversions of old power plants and new ones being planned in Sindh, from K Electric to Jamshoro, Coal demand in Pakistan is poised to grow exponentially. Each new 660 MW power plant requires 6 million tons of coal annually. PIBT is ideally placed to take advantage of this build out and up gradation as it will come on line in 2016 at the same time as the first of these new coal fired power plants come on line boosting coal demand in the county. Pakistan currently imports on average 5 million tons of Coal for the last 5 years, mostly for the cement industry. However, power generation from coal for the country coal is less than 2%

currently of total power generation. This is in great contrast with most developed economies such as the US or China where 40 to 60 percent or more of energy need is met through coal. With indigenous coal from Sindh's Thar region still not available for several years imported coal will be key item for these new plants. Even when Thar coal comes on stream several years from now as low quality lignite coal Thar coal is not feasibly transportable to the new power plants. The ideal use for Thar coal will be mine mouth power plants which will generate power on site.

With no other coal handling facilities in the pipe line, though new bidding tenders are in the process of being prepared, PIBT will have the first mover advantage in this space. Currently Karachi Port Trust handles most of the coal import of the country but not as a modern, up to date, dedicated facility. Instead the coal is handled by self-craned ships for unloading and then the coal is shovelled into trucks for transportation. PIBT's new design and efficient equipment will be able to handle this entire process more quickly and at significantly lower cost than current handling. Added to the massive new demand of coal coming up in the country and first mover advantage, smart investors know that the success of the company is guaranteed.

ISO Tank Cleaning Facility at Port Qasim

For the first time in the country, a dedicated facility of cleaning, storage, repairs and support services for ISO tanks has been introduced by opening a certified cleaning station at Port Qasim. This facility has changed the dynamics of the liquid transportation industry by enabling both ways movement of ISO tanks. Until now these tanks were used in a single trip as there was no proper facility for cleaning and washing because of non availability of the required specialised technology to clean all sorts of odour and contamination.

A recently established e2e Supply Chain Management Company in collaboration with Freight Connection Pakistan a leading terminal operator and provider of shipping services has launched this project under the name Pakistan Terminal Operators (PTO). Khurram Niazi COO of Freight Connection Pakistan and CEO of PTO said that by establishing first ever certified ISO tanks and tanker cleaning facility at Port Qasim, a dynamic change would be seen in the movement and transportation of liquid cargo industry in the country.

The founder and CEO of e2e Supply Chain Management, Abid Butt, said that the tank station is designed to meet the standards for world class performance and is equipped with most modern techniques to minimise the environmental impact, says a press release. He further said that machinery for the cleaning station has been imported from a German company which is renowned for its pressure cleaning systems. The tank cleaning station, he said, is built to serve and facilitate international tank operators as well as local bulk liquid tankers of food and chemicals.

Bin Qasim Industrial Zone - Gateway for Local, Foreign Investment

It is a pesky situation indeed that Bin Qasim Industrial Zone (BQIZ), largest industrial area of Sindh province, spread over 25,000 acres of land, offering enormous potential for local and foreign investment is being chastised to the extent that there is lack of utility service providers infrastructure, insufficient availability of electricity, gas, water, sewerage and telecommunication facilities.

The multi-dimensional gains which could accrue to the prospective investors were highlighted at an interactive session organised by Bin Qasim Association of Trade and Industry (BQATI) to deliberate on how to promote industrial investment in BQIZ and more particularly in the Industrial Zones of Port Qasim. The session deliberated on the role of Port Qasim Authority (PQA) in the promotion of industrialisation, available strength of this area, weaknesses, problems and opportunities.

Mian Mohammad Ahmad, Petron-in-Chief, BQATI identified the negative and positive issues which retarded the progress and need to be resolved. Rasheed Jan Mohammed, immediate past Vice President of BQATI submitted a comprehensive presentation before the house and briefed that the BQIZ has a great potential having abundant availability of land spread over 25,000 acres a dedicated industrial zone annexed to Port Qasim, first industrial port of Pakistan which caters 40 percent of the cargo movement having dedicated terminals for containers, grains, edible oils, chemicals, petroleum, coal and iron ore, with easy access to national highway and super highway, Karachi airport, and comparatively improved law and order.

It was pointed out that the existing demand for electricity, already submitted with K-Electric is 40MW but due to non availability of K-Electric infrastructure, industries are incurring heavy cost. BQATI was compelled to lay 4 to 6km cables from grid station to industries and in some cases it goes up to 8 to 10km.

The session was briefed that there is a need to review SSGC policy with regard to new connections and internal pipe line movement. Keeping in view industrial investment in the area, forecast for foreseeable future is around 50 to 100 MMCFD for which SSGC help is required.

Participants were briefed that due to non-serious attitude of concerned authorities road and railway infrastructure, national highway and newly built Mehran highway is deteriorating fast and further national highway and Mehran highway are being encroached by land grabbers, and illegal cuts and parking on both side of highways has been established.

National Highway is in a very rundown condition and need to be constructed on motorway pattern from airport to Ghaggar Phatak to give easy passage to industrialist and employees. In this respect, there are concerns of stakeholders but they are prepared to help and co-ordinate with relevant authorities.

BQATI suggested the authorities to maintain law and order on National Highway and newly constructed Mehran highway, bring/adopt motorway police model, maintain traffic flow

and remove encroachments on National Highway. "While it is indeed unfortunate that the cheapest mode of transport, ie railway is completely ignored in our country, we request PQA to take up the matter with authorities concerned to start railway service from city to PQ and vice versa as the railway line is available within the port area. Similarly, goods / liquid products and railway vehicles may also be encouraged to avoid the dependency on road transport / tankers.

Since PQA is in a very comfortable position, it was suggested to encourage ferry service from Marina Club DHA to PQ Jetties. This will indeed go a long way in reducing road traffic and allow hassle free commuting between the city and PQ. BQATI assured to bring the passengers if PQA can take the initiative. Chairman, Port Qasim, Agha Jan Akhter was very proactive and offered himself to be the focal point on behalf of PQA to facilitate resolving the issues of K-Electric, SSGC, KWSB, PTCL and law and order. He also offered utmost co-operation of PQA in bringing investment in the port industrial zone.

The session was very well-attended by Chairman, Port Qasim Authority, Agha Jan Akhter, Commissioner Karachi, Shoaib Ahmed Siddiqi, I.G Sindh Police, Iqbal Mahmood, DIGP East Karachi, Munir Ahmed Shaikh, DIGP South Karachi, Abdul Khaliq Shaikh, sector commander Bhattai Rangers, Colonel Jawaid Baloch, Zakari Usman, President, FPCCI, Abdullah Zaki, President, KCCI, Mohammed Bashir Jan Mohammed, Chairman Westbury, Cyrus R Cowasjee, PQA board members and leading industrialists.

Economic Corridor: Gwadar Rail Link Plans Eyed

The Ministry of Railways is considering two proposals to establish new rail links between Gwadar and other parts of the country in connection with China-Pakistan Economic Corridor, said a Pakistan Railways official. He described that one proposal of linking Gwadar with Karachi along the Makran Coastal Highway is 700 kilometres. The second one aims at connecting Gwadar with Jacobabad via Turbat, Panjgur, Besima and Khuzdar with a 1048 km rail link. A PC-II amounting Rs135.500 million for carrying out feasibility studies of the above mentioned proposed links has been approved by Planning Commission. The project could be completed by 2017-18 provided that the financial and economic viability of the scheme is established and availability of requisite funds is ensured, the official told.

FPCCI Opposes Expulsion from KPT Board

The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) is displeased with the decision of the Ministry of Ports and Shipping to withdraw its representation from the Karachi Port Trust (KPT) board, it was reported in a section of the media.

The FPCCI has intimated the concerned authority about this and requested it to reconsider the decision.

Earlier, a notification issued on 12 May regarding the KPT board of trustees mentioned the representation of the FPCCI. However, the government withdrew the notification on the ground that it had a technical error and issued another one on 29 May without FPCCI representation.

According to the new notification, the nominees for the board of trustees include Vice Admiral

Shafqat Jawed, chairman of KPT, as the board chairman.

Other members are Commander Karachi Pakistan Navy, Collector Custom (Preventive) Jawed Ashraf Hussain, Hussain Saleem, Nasir-ud-Din Mehmood - a non-official associated with KPT labour union - and representative each from Karachi Chamber of Commerce and Industry, Overseas Investors Chambers of Commerce and Industry, Karachi Cotton Association and Karachi Municipal Corporation.

Opposing the decision, a FPCCI member cited the KPT Act, which states, "Of the remaining trustees, one shall be elected by the chamber and industry, Karachi, by the Karachi Chamber of Commerce and Industry, by the Karachi Cotton Association, by the Pakistan Ship Owners Association, by the Karachi Municipal Corporation. And, the five, of whom one shall be a non-official associated with the KPT labour unions, shall be appointed by the federal government."

The 15 a. (2) of the Act states, "In the event of [any of the above-mentioned bodies] being dissolved, or ceasing to exist, the office of the trustee shall become vacant." It is pertinent to mention that the Pakistan Ship Owners Association, which is on the KPT board of trustees, is not a registered member of the FPCCI.

Directorate General of Trade Organisations, working under the Ministry of Commerce, has made it mandatory for all the chambers and associations in Pakistan to become member of the apex body of trade and industry, said the FPCCI official.

Surprisingly, the said ship owners' body was incorporated in the board when they did not exist. The KCCI kept its seat on the KPT board of trustees intact as they went to the court and got a stay order. Likewise, OICCI and KCA also did the same. Notably, the KPT Act mentions, "the chamber and industry, Karachi" or "the chamber of commerce and industry, Karachi". This might be a typing error, said the official. But, the fact is that the Act doesn't mention OICCI. The FPCCI member said they should also be on the KPT board of trustees. He said the Act supports the FPCCI's stance. "Since the Pakistan Ship Owners Association does not exist anymore, how can their representative be a trustee of KPT," claimed the FPCCI member.

"As the Pakistan Ship Owners Association does not exist and KMC does not have any role to play as a trustee, we strongly advise that the KPT Act needs to be revisited and amended as per the present requirement," he said.

Senate Panel Told:

China to Build New Gwadar International Airport

Amid noisy protests by opposition legislators over the decision to change the route of the Pakistan-China Economic Corridor for a second consecutive day, a top government official revealed that China has taken the responsibility to construct the New Gwadar International Airport.

"The government has changed the implementation mode of the New Gwadar International Airport and the project will be completed outside the scope of the federal Public Sector Development Programme (PSDP)," said Hasan Nawaz Tarar, the federal secretary for the Ministry of Planning and Development.

He was speaking at a meeting of the Senate Standing Committee on Finance and Revenue, which has been debating budgetary proposals. Tarar was responding to a proposal of Senator Sardar Fateh Mohammad Hasani on allocating more funds for the early completion of the project.

After taking over Gwadar port, China's decision to construct the New Gwadar International Airport highlights its plan to make the port-city a hub to watch its commercial and strategic interests in the region. The government has already transferred Gwadar Port operations from the Port of Singapore to the Chinese company, Overseas Port Holdings Limited.

Senator Talha Mahmood said that China was eyeing at Afghanistan and Central Asia, once the US leaves the region. Under the same plan, China is also financing Pak-China Economic Corridor to secure trade routes and energy supplies for its western parts.

Tarar said that while government has still allocated a notional amount of Rs150 million for the airport as a backup measure, the project will be completed by China.

Federal Minister for Planning and Development Ahsan Iqbal said a Pakistani delegation will leave for Beijing to discuss the project with Chinese authorities. He said China will either construct the airport on a Build-Operate-Transfer (BOT) basis or provide a concessionary loan to Pakistan.

He said the government will soon issue an international tender to hire a consultant to make Gwadar a city along the lines of Dubai and Singapore.

Corridor Controversy

While the government is reluctant to accept there was any controversy over changing the route of Pakistan-China Economic Corridor, opposition senators staged a token walkout from the standing committee meeting over the issue. The situation went out of hand when the planning secretary and acting communication secretary gave contradictory statements over the issue.

"The original corridor route was never discussed with China at any stage", said the planning secretary. According to the acting communication secretary, however, "The original route was discussed with China but the Chinese side was more interested in the new route."

Senator Talha Mahmood of Jamiat Ulema-e-Islam-Fazl disclosed that he and his party chief met the Chinese ambassador who told them that "China was comfortable with any route as long as it assured security for movement."

The standing committee recommended the government restore the old route of the corridor. But the planning minister insisted there was no change in the route and the government was only implementing the first phase of the route. He claimed people were exploiting the issue for political gains.

Karachi-Lahore-Peshawar:

Govt May Revive Rail Link for Coal Shipment

The government is reviewing the possibility of rehabilitating the Karachi-Lahore-Peshawar (ML-I) railway track with Chinese assistance in an effort to ship imported and domestic coal from Sindh for generating about 8,000 megawatts of electricity in Punjab.

The rail link is part of mega development schemes

that are under discussion with Chinese authorities in connection with the Pakistan-China Economic Corridor, according to the Ministry of Planning and Development.

Under the corridor, China will secure energy supplies through the Gwadar Port for its northwestern provinces aimed at reducing the cost of doing business in addition to securing safer routes for the supplies from Central Asia and Africa.

Pakistan is also expected to benefit from the initiative as thousands of jobs will be created along the transit route, stretching over 2,000 km of roads. "The national development agenda of the government will make Pakistan a fast growing economy in Asia," commented the planning minister.

To review progress on what the government calls Early Harvest Projects under the corridor, a meeting was chaired by Planning Minister Ahsan Iqbal and attended by Tareq Fatemi, Special Assistant to Prime Minister on Foreign Affairs and Musaddiq Malik, Adviser to PM on Energy. According to officials, the country has conducted a pre-feasibility study on the rail track and Rs400 million has been set aside for a contract to undertake feasibility study.

Under the project, the government wants to modernise signal gears besides expanding existing tracks and laying new ones. The length of the rail track that will be modernised is 1,736 km, according to the pre-feasibility study. Pakistan hopes that China will provide a concessionary loan for the project.

The project was vital for transporting coal from Sindh to the planned coal-fired power plants in Punjab, officials added. The Punjab government has planned to set up six coal-based power plants. It aims to complete two plants in the next three years and the remaining four by 2018 - a year before the government completes its constitutional five-year term.

Punjab is expecting an investment of up to \$10 billion in these coal-based power plants.

The meeting also discussed Gwadar projects that would be taken up with Chinese authorities. The projects finalised for the review meetings included 18.9km East-Bay Gwadar Port Expressway, infrastructure development for Export Processing Zones Authority and Gwadar Industrial Estate Development Authority.

The mode of financing for the Gwadar International Airport will also be discussed during the deliberations. China has already decided to construct the airport.

Officials said apart from reviewing progress on 10 coal-based independent power projects at Gadani and a transmission line to link these projects with the national grid, many other projects are being discussed with China, including two energy projects, a mining scheme and a power project at Thar, Karachi-Lahore Motorway, 387km Multan-Sukkur Motorway and Lahore Metro Train (Orange Line).

PNSC Approaches PM to Seek Change in LNG Policy

Pakistan National Shipping Corporation (PNSC) has approached Prime Minister Nawaz Sharif, seeking change in the Liquefied Natural Gas (LNG) policy, as shipping agents are emulating Indian model to make it a more profit-earning entity. This was revealed by Siddique Memon Chairman PNSC, while briefing the National Assembly Standing committee on Ports and

Shipping, which met with Ghulam Mustafa Shah in the chair.

Memon informed the committee that PNSC is among the few corporations making profit as it earned Rs 1.9 billion in 2013, while Rs 1.3 billion in nine months of the current fiscal year and may cross the previous figure by the end of 2014. The official further sought Committee's help in inducing the Commerce ministry to engaging PNSC as shipping agent taking business from TCP, PSM and other public sector organisations.

Total dry bulk trade in 2013-14 was about 30 million tons comprising coal, cement/clinker, iron and steel, fertilisers, wheat and rice and seeds where PNSC's share was eight percent of the total trade, as it lifted a total of 2.4 million tons cargo in first nine months. Pakistan's sea trade in the fiscal year 2013 remained at 64.21 million tons where PNSC contribution was 13.39 million tons ie 20.85 percent, however the government has tasked to increase it to 40 percent by 2025, Memon added.

The committee recommended calling representatives of the Ministry of Petroleum and Natural Resources in the next meeting to take up the issue of PNSC inclusion in the LNG project. The committee assured PNSC that point of view of Commerce ministry in this regard would be taken in next meeting.

PNSC official said that Punjab government had proposed setting up of six power plants that would require six million tons coal per plant. The Corporation is engaged in negotiation with the concerned authorities to have business share in this important project. The Contract of Affreightment (COA) signed between Pakistan State Oil (PSO) and PNSC resulted in earning \$69.7 million revenue during December 2012-March 2014.

The Chairman further informed the committee that a total of Rs 5.26 billion was paid as tax, Rs 0.175 billion as dividend to the national exchequer during 2001-2013. Further, Rs 0.345 billion was paid as tax in 2013-14, he added.

The Committee was told that PNSC was the only organ of Ministry of Ports and Shipping undertaking business operations in an internationally competitive environment, competing even for transportation of Pakistan imports and exports, thus earning most needed foreign exchange for the country.

The PNSC is engaged in three sea transportation trades ie Dry Bulk Cargo, Liquid Bulk Cargo (Crude Oil and Petroleum Products) and Slot and Non-Vessel Operating Common Carrier (NVOCC) services. The Standing Committee lauded the efforts of PNSC for making it a profitable organisation and endeavouring to make it a market leader in the region. The Standing Committee unanimously recommended that Trading Corporation of Pakistan (TCP) may make all its trading business with PNSC and it was also recommended that PNSC may also be included in the LNG Policy.

Pakistan Needs Competitive Freight Services: Experts

Expert said that excessive trading time and costs in Pakistan due to chaotic and lengthy border procedures, corruption, and underinvestment in the transport infrastructure, can significantly be reduced to improve the competitiveness of the country's economy.

"Pakistan needs to improve its customs, border and transit management, apart from improving

the transport corridors to ensure competitiveness in the transport services," Saad Mukhtar, a customs clearing agent, said. Keeping aside the potential of the international trade corridor, he said that Pakistan lacks even the infrastructure and transport system to efficiently handle inland and foreign trade.

He said the excellent rail network remains unutilised due to various factors including absence of locomotives, incompetence of staff, and rampant corruption in the Pakistan Railways. The road transport, he added is inadequate and inefficient, and most of the trucks are at least 10-year-old refurbished machines that are fuel guzzlers. In the absence of competition from Railways, the transporters feel no need to add fuel efficient modern trucks. They charge the high cost of shipping from the traders, who have no alternative but to bank on them.

Economist Naveed Anwar Khan said there is a dire need to develop institutions that are capable of conducting adequate planning, monitoring, and evaluation. He said the first step would be to fully utilise the rail network and induct five to six private sector parties to operate goods trains daily from port cities to upcountry and back. He said this will immediately reduce the transportation cost by at least 50 percent, and later decrease further as private parties compete for booking goods. Then the government, he added, should create policies that raise the standards of unreliable transport and logistics companies.

When perishable goods are shipped by unreliable and inefficient transporters even within the country, it results in a very high cost for exporters, he added. Exporters pay a high cost for low quality trucking industries, as in Colombia, or when trucking services for perishables are inadequate. Khan said that the energy and time entrepreneurs spent on ensuring timely deliveries could then be spared for more productive purposes.

He said that rail and roads are not the only faulty links in the transportation scenario in Pakistan. The country is striving hard to develop a trade corridor for landlocked countries of Central Asia, besides providing China and Russia with a cheaper low-cost route for trading in their regions located at the Pakistani borders, he added. However, he regretted that even without the activation of this corridor, we are experiencing congestion and urban chaos in the ports when we are mainly handling Pakistani merchandise import or exports.

Within the current scenario, he wondered how the country would handle larger trade, as and when the trade corridor is established. Khan said there are many aspects of international trade that have to be considered. We need simplified and transparent custom procedures, he said, adding that technology should be used to improve clearance of goods on fast track basis, effectively prohibiting under or over invoicing of goods and wrong declarations as well.

Ejaz Shiekh, another custom clearing agent said that in order to clear the congestion at ports, the dry ports of the country should be activated and strengthened. He said all upcountry bound imported goods should be loaded at the ports directly on goods trains for clearance at their respective dry ports. This, he added would provide adequate space for handling goods imported for land locked countries. He also said that Railway service should be provided for these goods only if there is space after booking domestic consignments. Otherwise, he added, they should ship their goods via road transport.



Expanding Logistics Solutions

VISION:

Our vision is to constantly offer exemplary freight and container service with personalized logistics solutions to the trade and industry in Pakistan

CUSTOMER FACILITIES:

- Single window custom clearance
- Extended Cargo cut-offs
- International Standards of handling cargo to ensure no breakage and no pilferage
- Adequate lighting in the yard and ware house for 24 hours operations
- Faster turnaround of vehicles and cargo, with same day clearance
- 24 hours armed security along with CCTV coverage to prevent pilferage
- Direct Rail link to PICT & KICT terminals, Karachi Port

ADDITIONAL SUPPORT:

- A dedicated Custom House for on-site Custom Clearance
- Dedicated Railway offices for on-site Pakistan Railways dealings
- Fully computerized operations with dedicated Business centre
- Large & adequate fleet of trailers for meeting transport requirements of Export / Import containers
- Dedicated bonded and non-bonded yard at MICT terminal

**Custom
Bonded
Facilities**

**CFS
Cargo
Shed**

**72
Reefer**
Plug with Stand
by Generator

**Storage
upto
1600 Teus**

**24/7
Tracking
Service**

**Bi Weekly
Train
Service**

HEAD OFFICE:

Suit# 301, Business Plaza, Mumtaz Hassan Road,
Karachi-74000, Pakistan
Tel: +92 21 37010661, 37010662
Fax: (92-21) 37010655
Adnan Hameed Khan : 0300 8265034
(Commercial Manager)

TERMINAL:

MICT Dry Port, Near Prem Nagar Railway Station,
Distt Kasur, Punjab Pakistan.
Tel: +92 42 38104035
Col (Retd) Faiz Miran : 0300 5119999
(Terminal Manager)

APSA HIGHLIGHTS

APSA Annual General Meeting and Elections of New Office Bearers for the Year 2014-15



Newly elected office bearers of APSA for the year 2014-15. (From Left to Right) Mr. Farooq Tareen, Vice Chairman, Mr. Aasim A. Siddiqui, Chairman and Mr. Bilal Saeed, Senior Vice Chairman.



A general view of APSA members attending the AGM.



Election Commissioners Mr. Owais Hingora, Ms. Farheen Mehmood and Capt. Arif Qasmi with Mr. Riaz Ahmed, Secretary, APSA.



Election Commissioner Capt. Arif Qasmi announcing the election of new office bearers for the year 2014-15.



Mr. Aasim Siddiqui thanking the members after being elected as Chairman, APSA for the year 2014-15.



A view of participants of AGM.



Participants of APSA AGM listening to the Election Announcement.



APSA Members going through the agenda of the AGM.



Mr. M. A. Subzwari, Mr. Farooq Tareen and others during AGM.



Mr. Arif Humayoun, Mr. Naeem Choudhry and Mr. Khalid Rizvi during APSA AGM.



Mr. Raza Kazmi and Mr. Siraj Banatwala.



A group photo of Mrs. Imrana Pervez Butt, Mr. Cyrus R. Khursigara, Capt. Mushtaq Ali Shah, Ms. Farheen Mehmood and Mr. Farooq Tareen.



Mr. Ahmed Qaiser, Editor, The Voyage, Mr. Abdullah Beg, Deputy Secretary, APSA and Mr. Nasir Pasha, EC Member 2014-15.

APSA Represented Pakistan at Intermodal China 2014 Conference

Date: 27-28 August 2014

Venue: Shanghai International Convention Centre, China



Mr. Aasim Siddiqui, Chairman APSA making presentation on 'Analysis of the Existing Trade Route (Rail/Road) within Pakistan' at Intermodal China 2014 Conference.



(Left to Right): Mr. Aaron Lo, Partner & Managing Director of CGN Management Consulting (China), Mr. Aasim Siddiqui, Chairman APSA, Mr. Yan Jianchao, Assistant General Manager of Sinotrans Logistics (Hong Kong) and Mr. Kieran F. Ring, CEO of Global Logistics Institute (Ireland) during panel Discussion of 'Transportation Network Planning, Bottlenecks & Trends in South Asia Transport Market at Intermodal Conference 2014.

DP World Leads Terminal Throughput Race

DP World Karachi is still leading in the YTD Pakistan throughput race till Jun 2014 with 37.2 %.

Month	IMPORT				EXPORT				Grand Total		Vessels
	20	40	Units	Teus	20	40	Units	Teus	Units	Teus	
Apr-14	15,013	11,655	26,668	38,323	13,530	12,716	26,246	38,962	52,914	77,285	47
May-14	12,584	11,358	23,942	35,300	14,730	11,555	26,285	37,840	50,227	73,140	56
Jun-14	14,067	10,861	24,928	35,789	15,421	11,501	26,922	38,423	51,850	74,212	52

Web Based System for our Valued Customers

DP World's motto from day one is to provide accurate information in the fastest possible time period to our valued customers and always endeavor to fulfill the customers' needs and requirements.

We are pleased to announce another milestone by DP World Karachi (QICT) wherein we have introduced for the convenience of our valued clients a Line Facilitation System (LFS) the features of which are given below:

- Container Tracking
- Web Access
- DO EDI Upload
- Booking EDI Upload
- Container History Option
- Invoice Amount Calculation
- Shipping Line Reports (Shipping line reports on real time status can be retrieved through Web Access)

In case of any operational issue of the website our very professional and dedicated Customer Service team is working round the clock to assist and facilitate queries related to LFS.

Beyond the Gate Services

DP World Lahore having competitive advantage, (regarding door step delivery of import/export consignments, economical, secure and reliable mode of transportation through Pakistan Railways, efficient handling of import/export cargo), is providing professional terminal/logistics services to QICT upcountry customers. The main objective to establish ICD Lahore is to provide value added services to QICT customers. We are aggressively focusing on frequency of bonded/non-bonded movement of import/export cargo through our freight trains. ICD freight train customers/cargo is increasing day by day due to which our train frequency is going upward. In coming month we are expecting better volume as compared to current and previous months.

Social Activities

At DP World Karachi, we are committed through our CSR Initiatives to make a difference in the community we operate in. In the year 2014, DP World made a number of contributions in the education sector, in women empowerment and restoring basic facilities in a nearby Village.

Understanding the importance and the right to education for every sector of our community, a computer lab was set up at Al Moiz School, a school which is being run privately providing free education to underprivileged children.

A village near Razakabad has been adopted by DP World Karachi and a sewing center was set up which is running successfully and women of the village are now active contributors to the income of their families. Apart from this, QICT joined hands with Make a Wish Foundation and granted 10 wishes of children having dreaded diseases.

We are also proud to be associated with "The Citizen's Foundation" and are supporting their Safi Qureshy Campus for the academic year 2013/2014. Our staff volunteers actively participate in all the CSR Events as in the case where a day was well spent over Lunch at KFC with the Children of Sindh Welfare Association for the Deaf.

The year 2014 brings upon us another opportunity where DP World Karachi will be building and operating a Kindergarten School under the name of "Ibtida". The school is being built in an adopted village.



Maersk Spreads Smiles on Eid-ul-Fitr in Pakistan

In keeping with our tradition of giving back to the community, once again Maersk Line & Safmarine in Pakistan came together to add happiness to the Eid of children from HOPE Foundation and SOS Village. Our CSR team reached out to the underprivileged children in HOPE Foundation and the SOS Village with Eid gifts.

This CSR initiative aimed to further strengthen our partnership with SOS Village in our joint attempt to do social good. Every year SOS Village undertakes the task of giving homes and a fair chance at a better future to hundreds of homeless young children with admirable dedication. Out of respect for the tremendous job that SOS does, we could not imagine a better gift for the journey of these children than a new pair of shoes. We can happily report that the children in the SOS Village received their



Left to Right: Safmarine Pakistan Customer Services and Sales Team with children from SOS Village



Second Image: Left to Right : Minal Khan - Communication Analyst & Mehreen Ansari - Compensation & Benefits Analyst

precious shoes from Safmarine representatives with great delight.

This Eid, Maersk Line also extended its support to HOPE Foundation, an NGO that provides health and education services for the poor and needy in Pakistan. Every child wants to celebrate Eid with new clothes to wear and show off, and we felt the children at HOPE deserved this chance just as much. The Maersk Team was happy to donate clothes to the kids at HOPE for an occasion that means so much to them.

Maersk understands the need for such CSR activities and attaches great value and consideration to our attempts to socially enrich the society that we are a part of. And at the end of the day, there is nothing as rewarding as the smiles of those we reach out to, may be not even our own pay cheques.

APSA Activities/Performance During Year 2013-2014

- APSA Annual General Meeting held on September 18, 2013 at MRG Board Room Mumtaz Hassan Road Karachi at 1430 Hours.
 - Capt. Mushtaq Ali Shah of CSAV Norasia was elected as new Chairman of APSA for the year 2013 - 2014.
 - Mr. Abdullah Farrukh of Pak Shaheen Group was elected as Senior Vice Chairman for the year 2013 - 2014.
 - Syed Raza Kazmi of Maersk Pakistan was elected as Vice Chairman for the year 2013-2014.
- Finance Heads (CFO's) OF APSA Members Meeting held on November 27, 2013 at 1500 hours at the Maersk Pakistan Board Room, Karachi.
- Meeting with the President FPCCI Mr. Usman Zakaria held on December 04, 2013 at Federation House, Karachi.
- Meeting between APSA delegation and Mr. Tashfeen K. Niaz, Chairman, Sind Revenue Board (SRB) held on December 24, 2013.
- APSA attended the Seminar on Containers' Checking by Anti Narcotics Force on seaports held on January 06, 2014 at 1430 hours, in Tariq Sayeed Auditorium, B-2 Floor, Federation House, Karachi.
- Meeting on Fast Ferry Services, held on January 08, 2014 at 1000 hours, in the Committee Room of Pakistan National Shipping Corporation, Karachi.
- APSA Managing Committee meeting held on January 08, 2014 at 1500 hours. at MRG Board Room, Karachi.
- Meeting of the Top Management of Shipping Lines held on January 22, 2014 at 1500 hours at MRG Board Room, Karachi.
- APSA Newsletter "The Voyage" launched during First Quarter of 2014. The Newsletter received overwhelming response from the members and the concerned quarters.
- Meeting with PIFFA on February 12, 2014 at 1500 hours, at MRG Board Room, Karachi.
- Chairman APSA interview appeared in the Customs Today of February 25, 2014.
- Letter from Ministry from Commerce regarding FED on freight received by Shipping Lines.
- APSA Office Bearers Meeting held on March 12, 2014 at Chairman's Office.
- Managing Committee Meeting held on March 19, 2014 at 1500 hours at Pegasus Consultancy Conference Room, Karachi
- Meeting with PIFFA held on March 25, 2014 at 1600 hours at PIFFA Secretariat Office, 174-O, Block-2, P.E.C.H.S. Karachi to discuss Defaulted Payment, LSPRA Bill and Awareness Program on the Role of Freight Forwarders.
- Meeting held between APSA Sub-Committee Members and Chairman, Commissioner and Advisor, Sind Revenue Board on March 26, 2014 at 1100 hours at SRB Conference Room, 6th Floor, Shaheen Complex, M.R.Kayani Road Karachi.
- Meeting held with Assistant Collector/Licensing, at 1100 hours on March 24, 2014 at 5th Floor, Custom House, Karachi.
- APSA attended the Interactive Session between the high officials of Pakistan Customs and Afghan Traders in Pakistan on the significance of Afghan Transit Trade through Pakistan, which was arranged by Ms. Rubina Wasti, Director, Directorate General of Training & Research (Customs), Karachi.
- Meeting held with PIFFA at 1600 hours on April 21, 2014 at PIFFA Secretariat to discuss SOP on Defaulted Payments and draft MoU between both associations.
- Meeting held with the Director Exchange Policy Department, State Bank of Pakistan on April 23, 2014.
- APSA wrote a letter to NTTFC to highlight the issue of 'Destruction of Afghan Cargo Lying at Paki tan Terminals' and to have the issue added on their agenda for the next NTTFC meeting.
- Meeting held with Chief Collector (South) and his panel on May 13, 2014 on the issue of Idle Containers.
- APSA hosted a luncheon at 1300 hours on May 29, 2014 at Boat Club, in the honour of Mr. Kamran Michael Minister for Ports & Shipping and the distinguished members of APSA.
- Second Issue of APSA Newsletter "The Voyage" was circulated in the month of June, 2014.
- A Team of APSA Focal Persons held a meeting with DC-Auction at all three Terminals i.e. West Wharf, East Wharf and PQA, to discuss the issue of Idle Containers.

TDAP is Working to Double the Exports: S. M. Muneer



saying he himself desired to end the corruption. That is how I took over the job.

Q3: Did he assign you any specific tasks as the CEO?

He did not assign me any particular tasks, however, he gave me a target to double the exports in five years. I said I am a born exporter and I am fully confident that our industries have got enough potential to meet the target in just three years provided the hurdles are removed.

Q4: Would you describe what those hurdles are?

Energy crisis is one of the main hurdles that are rendering it very difficult for the exporters to meet the shipment deadlines. Upto 12 hours load shedding is being carried out across Punjab and in other parts of the country which is curtailing the production hours by half. Scarcity of gas and water are other big issues that need to be resolved. Besides, law and order situation across the country is extremely detrimental to the business environment, particularly for exports as the foreign buyers who are otherwise keen to import the Pakistani goods but are very reluctant to come here.

Q5: What is TDAP doing to remove these hurdles?

It is beyond the mandate of TDAP to take any steps itself, it can only highlight these issues and urge the government to remove the hurdles. On their part, the government is taking steps in the right direction as they are actively working to end the energy crisis by setting up many new power projects in different parts of the country with various production capacities. But being realistic, it will take two to three years' time for these projects to be productive and until such time the industry will be faced with acute energy crisis. Secondly, our army - with full support of entire nation - has launched a large scale Zarb-i-Azb operation in North Waziristan against the terrorists which is meeting success. It is hoped that once this operation achieves the desired success, the law and order situation will greatly improve. But again, it will take the necessary time for these actions to bear fruits and the industry has to cope with unfavourable circumstances until then.

Q6: How would you comment on present state of economy?

I pay tribute to finance minister Ishaq Dar who is doing a fine job to put the economy on the path of recovery and development. The economic indicators are positive, our GDP growth rate was 2.75 and it reached over five percent in one year which is a big achievement. Pakistan has

been accorded the GSP plus status by European Union which is likely to increase our exports by more than one billion dollar. Things had been moving in the right direction giving positive indicators for the last eight or nine months but the attack on Karachi Airport proved to be a very unfortunate incident for the business environment as it has sent wrong messages abroad and the foreign buyers are finding it very difficult to visit Pakistan. Another incident of firing at an aero plane in Peshawar has only added fire on the fuel and as a result few airlines temporarily cancelled their flight operations. People do understand that Pakistan is at war and is doing its best to eliminate the terrorism from its soil but such incidents are very unfortunate for the economy and I have written to the Prime Minister that how it would be possible to meet the target of doubling the exports under such unfavourable circumstances. I also shared these fears with Federal Secretary for Ministry of Commerce. The business community desperately needs an end to energy crisis, water shortage and improvement in the law and order situation to perform better and increase the exports.

Q7: How do you think is the performance of business community?

I salute to the business community of Pakistan that despite all the odds they are not disheartened and are diligently working to promote the exports. They are creating employment opportunities in the country, depositing huge revenue in the national exchequer, thus doing a service to the motherland. They are indeed happy at my heading the TDAP and if their problems are resolved they are fully capable of performing even better.

Q8: What role TDAP is playing in the economy?

TDAP has the mandate to act as the bridge between the government and the exporters. We facilitate the exporters wherever they face any hurdles. In order to promote the exports of Pakistani traditional and non traditional goods, every year we organize around 100 exhibitions all over the world. To name a few of them, last year we also held Life Style Pakistan exhibition in India which received overwhelming response as all the goods put on display were sold out. This year, it is due in Delhi in September and in October, TDAP would be organizing Expo Pakistan in Karachi.

Meanwhile, I would also like to add here about TDAP that I have been an exporter since my boyhood and I know the business and the problems usually faced by the exporters quite well. I want to turn TDAP into a true facilitator for the community of exporters and end the corruption in the organization which is done by a very small number of people as in my opinion 95 per cent officers are very good including my secretary Rabia Javeri, Director General, Directors and other officers and the staff.

Q: Please tell us about your background for our readers?

I was born in a business family and after I did my matric my father brought me in his business. I learnt my father's business while I continued my education and completed graduation in 1964. I wanted to obtain the degree of MBA but my father said he would rather train me to take care of his business.

His decision proved right as he soon died and the responsibility to run the business rested on my shoulders; this responsibility I could discharge only because of the training I had received from my father. When my father died, he had committed many export orders, and unfortunately the cost of raw materials soared but being an honest businessman he chose to honour the commitments and we had to bear huge losses to an extent that we were almost bankrupt in 1966. However, the nature favoured us for our honesty and steadfastness, we soon recovered and were also able to expand our exports. Now, Alhamdulillah, we have five textile factories in Punjab and a big leather business and we are the biggest exporters of the country with exports amounting to eight billion rupees per annum.

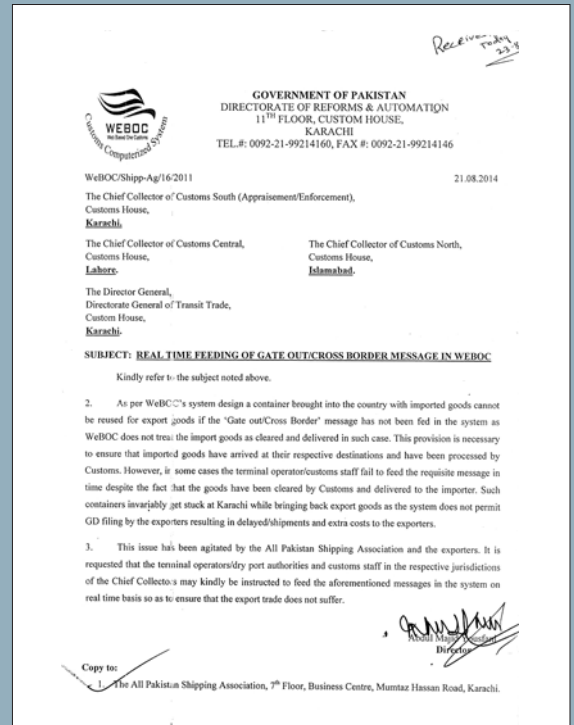
Q2: How did the idea lead the TDAP come to you?

I did not aspire or lobbied for the post nor did I have any meeting with the Prime Minister in this regard. In fact, Chief Minister, Punjab Mian Shahbaz Sharif called and informed me that Prime Minister, Mian Mohammad Nawaz Sharif wanted me to take over as Chief Executive Officer of Trade Development Authority of Pakistan. I agreed to accept the offer provided they accept two conditions of mine: one, I would not receive any salary and any other benefits for the post; two, I would be granted hire-n-fire powers to rid the TDAP of corrupt officials. Prime Minister immediately agreed to them,

APSA Achieves Another Success

The Members will be delighted to note that APSA has succeeded in moving the authorities to take action towards resolving the problems being faced by the members and the exporters as the containers being reused for export goods get stuck at Karachi due to non-feeding of 'Gate out/Cross Border' message on a real time basis in the WeBOC system. All the shipping lines were facing this issue since long and APSA is proud to resolve it.

The issue was raised and followed up by APSA with the concerned authorities, and as a result, the Directorate of Reforms & Automation, Custom House has issued a letter to The Chief Collector of Customs South (Appraisal/Enforcement), Custom House, Karachi, The Chief Collector of Customs Central, Lahore, The Chief Collector of Customs North, Islamabad and The Director General, Directorate General of Transit Trade, Custom House, Karachi, requesting them to instruct the terminal operators/dry port authorities and customs staff in the respective jurisdictions to feed the 'Gate out/Cross Border' message in the system on real time basis to ensure that the containers do not get stuck at Karachi while bringing back export goods due to non-feeding of the Gate out/Cross Border message timely.



Following is the text of the said letter
No. WeBOC/Shipp-Ag/16/2011 dated 21.08.2014.

SUBJECT: REAL TIME FEEDING OF GATE OUT/CROSS BORDER MESSAGE IN WEBOC

Kindly refer to the subject noted above.

As per WeBOC's system design a container brought into the country with imported goods cannot be reused for export goods if the 'Gate out/Cross Border' message has not been fed in the system as WeBOC does not treat the import goods as cleared and delivered in such case. This provision is necessary to ensure that imported goods have arrived at their respective destinations and have been processed by Customs. However, in some cases the terminal operator/customs staff fail to feed the requisite message in time despite the fact that the goods have been cleared by Customs and delivered to the importer. Such containers invariably get stuck at Karachi while bringing back export goods as the system does not permit GD filing by the exporters resulting in delayed shipments and extra costs to the exporters.

This issue has been agitated by the All Pakistan Shipping Association and the exporters. It is requested that the terminal operators/dry port authorities and customs staff in the respective jurisdictions of the Chief Collectors may kindly be instructed to feed the aforementioned messages in the system on real time basis so as to ensure that the export trade does not suffer.

Sd/-
Abdul Majid Yousfani
Director

Copy to:

1. The All Pakistan Shipping Association, 7th Floor, Business Centre, Mumtaz Hassan Road, Karachi.

Dear Customers,

Marine Services is the name of Experience Commitment & service, thanks you for choosing us.

Your satisfaction is our prime goal.

Dear Customer,

Pleased to inform that Marine Service Pvt Ltd as agent for CSAV NORASIA as from end of October we will be replacing our current Imex services, Slings 1, 3 & 5, with following new one along with HAPAG LLOYD & also offering our Trans Asia Line service for GULF/ISC & Asia Pacific Ports from/to PKKHI:

- First vessel will be RIO BALNCO voy.4340 ETA PORT QASIM on October 30, 2014.

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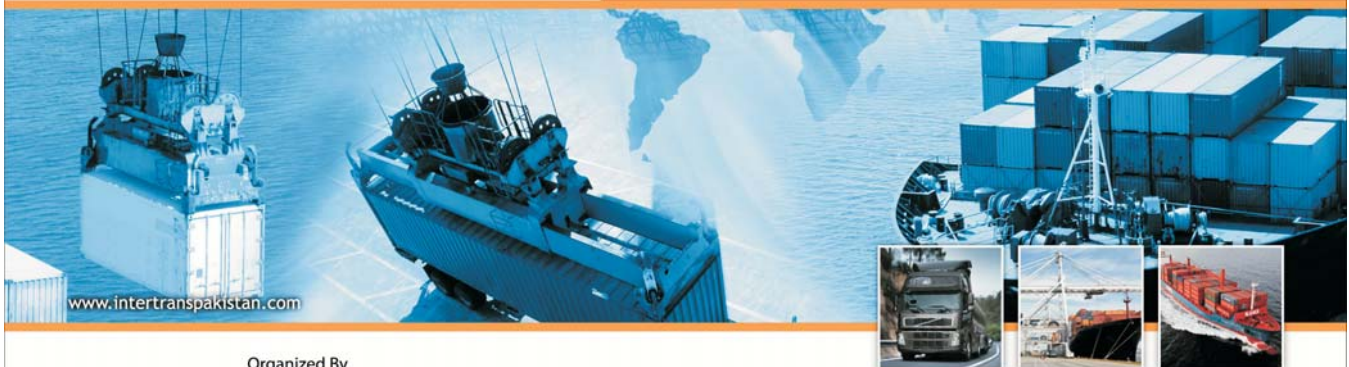
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