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Pakistan's First Quarterly Intermodal Industry Newsletter



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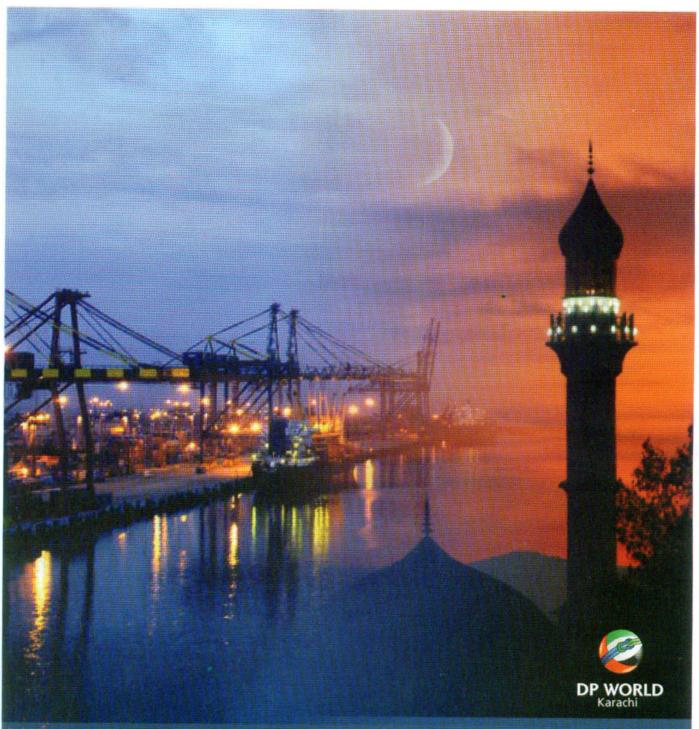












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# Chairman's Message

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Southampton, Hamburg, Antwerp, Leharve, Barcelona, Valencia, Genoa, Fos, Naples and all

mand destination of ok	Continent, scan	idiliavia, Mediterrai	iedii, Kussia & Diiii
VESSEL	VOY	ETA	ETD
CMA CGM BERLIOZ	EPA80W	25-06-2014	26-06-2014
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Sydney, Brisbane, Melbourne, Adelaide, Fremantle, Nelson, Wellington, Lyttelton, Tauranga, Auckland, Port Moresbay, Lae, Madang & Rabaul

VESSEL	VOY	ETA	ETD
QUEENS QUAY	1404E	22-06-2014	23-06-2014
HANJIN SCARLET	0009E	29-06-2014	30-06-2014
<b>NEW KIX SERVICE I</b>	OR BRISBANE	AUCKLAND/TAURAN	GA FROM KICT
VESSEL	VOY	ETA	ETD
ITAL MODERNA	040E	25-06-2014	26-06-2014
COSCO KAWASAKI	023F	02-07-2014	03-07-2014



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# Message from Governor, State Bank of Pakistan





Ashraf Mahmood Wathra Governor, State Bank of Pakistan

I am extremely delighted to receive the first issue of newsletter 'The Voyage' from All Pakistan Shipping Association (APSA). It's a new beginning in the ports and shipping industry to bring out an exclusive publication for the coverage of commercial activities taking place at port and in other intermodal sectors of Pakistan.

The shipping industry has been playing a very crucial role in the growth and development of our national economy. Over 60% of international cargo is being handled through ports including import or export. The shipping industry has been facilitating the local business community through various services with efficiency and sheer dedication. The contribution of international shipping lines and that of other shipping service providers with modern port facilities of loading and unloading cargo has made it possible for the exporters to reach out high value export markets.

At present the strategic trade policy focuses on regional trade, promotion of exports, creating regulatory efficiencies, export development initiatives and increasing domestic commerce. The trade integration with South Asia, China and ECO countries is likely to increase the volume of trade flow in the country. Specially, Pak-China Economic Corridor from Gwadar to Kashgar will substantially increase the cargo handling challenges for the shipping industry at ports. The stakeholders of the industry need to be updated on the progress of these developments and to have insight about the prevailing trends of the port and shipping business. The newsletter of APSA 'The Voyage' will be an excellent publication for the industry to gain access about the market information and calibrate the direction of their efforts towards the economic growth of Pakistan.

On behalf of State Bank of Pakistan, I would like to appreciate the efforts of All Pakistan Shipping Association and its members to publish 'The Voyage', making their due contribution to the growth and development in port and shipping business of Pakistan.

We wish All Pakistan Shipping Association (APSA) all the success in its future endeavours.

# **NEWS IN MEDIA**

# From the Monitoring Desk

Kashghar-Gwadar Corridor May Become Operational in 2014: Kamran Michael

Federal Minister for Ports and Shipping Kamran Michael said the Kashghar-Gwadar economic corridor was expected to become operational during 2014, as construction work is underway. Talking to newsmen at Pakistan Marine Academy (PMA) after a passing out ceremony, he ruled out abandoning the deep water port project, saying that present government will carry on the harbour construction.

He said: "the deep water port is now 60 percent complete, therefore, the present government cannot abandon its development." A ministerial delegation will visit Sri Lanka shortly to sign an agreement with its counterpart ministry for utilisation of Pakistani ships by Sri Lanka, he said. "With the agreement, Pakistan will provide ships to Sri Lanka, which will increase the country's revenue." he added.

In the next six months, he said, the government plans to increase the national oil tankers fleet to five with buying two more carriers. He said the shipping company has six bulk cargo vessels in its fleet. "It is unfortunate the country has only two oil tankers to cater to its needs. We plan to increase the fleet to at least 10," he added.

The anti-encroachment cell of Karachi Prot Trust (KPT) has just become functional, he said and asserted the ministry will take indiscriminate action to evacuate the trust land. Earlier, he announced to upgrade Pakistan Marine Academy (PMA) to a university status, as 170 PMA cadets passed out to serve the nation. Addressing the passing out ceremony as chief guest, he said that the academy status will be upgraded to a university to stand out as the only university across the sub continent region.

On this occasion, Commandant PMA, Commodore Muhammad Aslam Rana (Retd), said "the Academy is recognised by the World Maritime University, and conducts Pre-Sea and Post-Sea IMO Specialised Courses and the mandatory STCW courses, besides the basic training for cadets and Gp's. As a result, the Pakistan seafarers no longer have to spend valuable foreign exchange to go abroad for their Pre-sea and Post-sea training."

# Gwadar Port Emerges as Economic Corridor

The newly developed port of Gwadar can serve as cornerstone of the country's economic development and change plight of the people of Balochistan if its real potential is exploited to bolster trade in the region. "The Gwadar project has the potential to give boost to the present crippled economy of the country in a short span of time. At the same time it has the potential to take the country's economy to greater heights and bring it in line with the developed countries," Col® F Maqbool Afridi, Chairman Standing Committee, Gwadar Promotion and Development of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) told the media.

He said due to its geo-strategic location, the Central Asian Republics (CARs) had a short route to world markets and at the same time the developed countries had an easy access to the CARs natural resources. He said Gwadar is only 1500 km from Turkmenistan, Uzbekistan and Tajikistan. Secondly, African continent, especially Eastern side are very close from Gwadar.

He was of the view the natural resources of Africa can be easily shipped to Gwadar and after

due value addition, can be reshipped to the global consumer markets. He said half of the world population (China and India) is connected through land and sea with Gwadar and will be potential buyers of the products of CARs/Africa. Similarly, he said the port is well poised to have transhipment as well as transit trade. He said for transit trade CARs and China's West are dependent on Gwadar.

"In case we are able to develop understanding with India, the western part of India will prefer to have transit trade through Gwadar as it lies at shorter distance than Indian ports". He said Gwadar is a God gifted natural deep sea port unlike the contemporary ports of Iran and Dubai and has the capacity to have 88 berths

# Reduction in Nato Supply: Cargo Handling at KPT Declines, NA Body Told

and ability to anchor mother ship of 1,00,000 -

2,00,000 DWT.

Cargo handling at Karachi Port Trust (KPT) has declined for the last two years due to reduction in Nato supply, revealed the trust officials before the National Assembly Standing Committee on Ports and Shipping. The committee met with Syed Ghulam Mustafa Shah in the chair where briefing was given on the performance of the ministry and its attached departments.

The KPT officials informed the committee that 37.88 million tones and 38.85 million tones of cargo was handled at the KPT during 2012 and 2013 respectively, against 41.42 MT and 41.43 MT during 2010 and 2011. The committee was informed that the KPT had a total of 13,700 acres of industrial land of which about 95 percent had been leased out to over 3,600 persons and companies. However, MNA Nabeel Gabol raised objections to the process, saying that the land was being leased out to influential people who had fake registered companies in Dubai and other countries as the land could be leased only to foreign investors. He further said that all these allotments were cancelled in 2008, however due to some inflection the orders were not implemented.

The KPT officials told the committee that a process of cancellation of such plots had been started. The committee directed the officials to apprise the body in next meeting with details about the land allotment. Pakistan National Shipping Corporation (PNSC) has claimed to be among the few institutions running in profit and registered Rs 1.99 billion profit in 2013 as compared to Rs 753.1 million during the same period of the corresponding year. The committee was further informed that Pakistan's sea trade remained at 64.21 million tones of which the PNSC contribution remained at 13.39 million tones ie 20.85 percent in 2013 which is highest since 1979.

However, the committee expressed serious concerns over the selling of 48 ships, the PNSC had in 1979, which were reduced to nine in 2013. The PNSC made a good contribution to the country's economy during last 11 years as it paid Rs 1.78 billion dividend to the government, paid Rs 4.455 billion as tax, earned \$1.37 billion revenue in terms of foreign exchange, acquired 13 ships at cost of \$325.44 million while disposed of 19 ships earning \$70.243 million.

# Port Qasim to Charge LNG Firms \$1m Fee

The Port Qasim Authority (PQA) has decided to charge \$1 million as processing fee to grant noobjection certificate (NOC) to companies to use its terminal for import of liquefied natural gas (LNG).

This was conveyed to a 13-member task force constituted by the government for LNG import and was led by Secretary Petroleum Abid Saeed which recently held its first meeting.

The meeting was called to improve consultations between the Port Qasim Authority and Sui Southern Gas Company Limited (SSGCL) for construction of new terminal and utilisation of existing capacity of the port.

The meeting was informed that the PQA had previously issued NOC to a number of LNG import contenders on the persuasions of the ministry of petroleum and allocated capacity utilisation and even signed implementation agreements with the spirit of facilitation but all of them failed to comply with requirements of the agreements.

"All the previous parties did not take steps to implement their agreements or import LNG," the PQA is reported to have informed the federal government.

As a result, the PQA had now decided to adopt relatively stringent criterion for capacity allocation and issuance of related NOC. This would mean payment of \$1m fee for issuance of NOC followed by signing of implementation agreement.

The meeting was also informed that PQA was unable to ensure dredging of 24-km channel required to allow large ships to move and berth at the port for LNG handling because the dredging machinery was not available to PQA in the short term.

## Govt Ends Pak-Afghan Trade in Rupee

In an apparent move to support foreign exchange reserves, Pakistan decided to stop trade with Afghanistan in rupee and discourage persons going abroad from taking out foreign exchange in cash.

The decisions were taken at two back-to-back meetings, presided over by Finance Minister Ishaq Dar and heads of State Bank of Pakistan, Federal Board of Revenue, Secretaries of Commerce and Finance.

Rana Assad Amin, a finance ministry spokesman and adviser, told media that Pakistan had allowed trade with Afghanistan in Pakistani currency in 2001-02 when there were no banking facilities.

Now it had been felt that enough time had passed since then and both the countries have established banking channels, therefore, there was a need to introduce normal trading arrangements as is the case with the rest of the world.

He said the head of Khyber Pakhtunkhwa Chamber of Commerce and Industry Zahidullah Shinwari was also consulted on the issue who reported that they had in fact proposed to the government to shift to the normal trading system in foreign exchange.

The meeting was informed that Pakistan's export to Afghanistan during 2012-13 amounted to \$2.3bn but half of this trade took place in rupee.

After consultations with the relevant ministries, the finance minister decided that payments against exports to Afghanistan would no longer be in rupee and the normal trading regime would apply from Mar 17.

A two-month period was, however, allowed to exporters to complete their transactions already in the pipeline.

# Kashgar-Gwadar Corridor to Change Socioeconomic Landscape: Chinese Envoy

Chinese Ambassador Sun Weidong has said that the economic corridor from Kashghar to Gwadar will change the socio-economic landscape of the region, a statement said.

The statement issued by the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) said the Chinese ambassador met the members of the apex trade body of Pakistan and said that the trade and economic relations with Pakistan were very important for China.

He said that last year the Chinese premier met the prime minister of Pakistan and discussed the issues of bilateral trade and economic relationship between both the countries.

He also discussed the economic corridor from Kashghar to Gwadar which will enhance the trade between China and Pakistan. "This economic corridor will change the socio-economic landscape of the region," the ambassador said.

On the occasion, Zubair Ahmed Malik, (then) president, FPCCI said that there is still room for tremendous growth in bilateral trade with China.

The trade between China and Pakistan is increasing day by day and it seems that the volume of this bilateral trade would cross \$15 billion by 2015.

# Increased Freight Operations Can Lessen Railways Woes: Saad Rafique

Federal Minister for Railways Khwaja Saad Rafique informed Senate that the focus of Pakistan Railways was to enhance its freight operation to put the cash-starved Railways back on track by generating income through its own resources. Responding to questions raised by MPs in Senate, he said that the PR had no plan to increase the passengers operation, which will be improved while the focus will remain on enhancing its freight operation for generating income.

He acknowledged that the business of Railways decreased during last three years and the department suffered a loss of Rs 30.504 billion in 2012-13. He said that Rs 294,046 million were outstanding against government departments till November 30, 2013 on account of transportation charges including Rs 31.020 million against Post Master General (Rs 3.869 million), State Bank of Pakistan (Rs 485,653), Chief Controller of Stamp (Rs 258.670 million).

Giving details of department-wise recovery by Railways from July 1, 2011 to November 30, 2013, he said PR had received a total of Rs 1.154 billion outstanding dues from different departments.

He said that last year PR was in the deficit of Rs 30 billion and in the current year it was estimated to be at Rs 33.50 billion, but it will not happen as there was a lot of improvement in the financial affairs of the institution. He said that the government had set a revenue target of Rs 18.60 billion for six months, but it had earned Rs 20 billion - Rs 1.40 billion more than the set target which was a big achievement. He attributed the improvement to the competent officers of PR, adding that political interference which remained the hallmark of the previous government had also been eliminated.

The minister said that during year 2012-13, the locomotives did a business of Rs 660 million, however, during current year they had so far done a business of Rs 1.70 billion. "The credit must be given to the PR management and its employees for the improvement in the institution's affairs," he added.

# PAJCCI, Afghan Agency Agree on Supporting Trade, Joint Ventures

Pakistan-Afghanistan Joint Chamber of Commerce & Industry (PAJCCI) and Afghanistan Investment

Support Agency (AISA) have signed a Memorandum of Understanding (MoU) for strengthening and supporting trading and investment ventures jointly. The memorandum was signed during Second Annual Conference of the joint trade body.

A high-level 20-member trade delegation of PAJCCI, under the leadership of Co-President PAJCCI Mohammad Zubair Motiwala visited Afghanistan and held constructive meetings of networking with business and trading community across the horder.

The delegation headed by Zubair Motiwala also had a meeting with Second Vice President, Islamic Republic of Afghanistan Khan Jan Alkozai. For better co-ordination and resolution of mutual issues, Zubair Motiwala proposed to formulate a joint committee for rationalisation of duties between the two countries having members of customs also. He also greatly emphasised on the dire need to establish Export House or Trading Warehouse for the business and trading community across the border under PAJCCI's umbrella with due support from Governments on both the sides.

# Freight Train Service Resumes after Two Years

After more than two years, a cargo train arrived at the Mughalpura Dry Port, Lahore, heralding resumption of the much-needed freight train service from the Punjab capital.

Senior railways officers and Customs Clearing Agents Association office-bearers welcomed the train, carrying 40 containers and bringing 980 tonne merchandise at the dry port. Customs Clearing Agents Association Chairman Amjad Chaudhry said the resumption of cargo

train would not only create jobs for more than 6,000 families but it would also boost the economic activities at the dry port.

Railways Chief Traffic Manager Altaf Hussain said

Railways Chief Traffic Manager Altaf Hussain said efforts were afoot to resume all the suspended cargo trains from Lahore and Karachi.

The Container Special was the last freight train that left for the Sindh capital from Mughalpura in March 2011 when an acute shortage of locomotives forced the railways authorities to suspend freight service from Lahore.

Freight service is the major source of income for railways worldwide and the Pakistan Railways used to earn at least Rs6 billion annually from the operation of eight to 10 freight trains from Karachi for various upcountry destinations daily.

# Container Port Project

The Karachi Port Trust has been proactive in capacity building and upgrading its facilities and equipment and its major project is the gigantic Pakistan Deep Water Container Port (PDWCP) at Keamari Groyne, at an estimated cost of Rs72 billion, which is expected to come into operation by the middle of next year.

Talking to media, the trust's chairman, Rear Admiral (retd) Azhar Hayat, said a concession agreement for the development, operation and maintenance of PDWCP has already been signed with M/s Hutchison Port Holding (HPH) of Hong Kong.

The company will be responsible for bringing in larger ships due to its connections with international shipping lines, and will also ensure usage of the facility. HPH will be investing about \$457 million for development of the terminal's infrastructure, added Mr Hayat.

Giving some details about the mega project, the KPT chief said up to 85 per cent of dredging and reclamation has been completed, and he expects it to be fully done by the end of this year. Under the contract awarded to China International Water and Electric Company (CWE), the company is responsible for dredging work on a 33-million

cubic metre area, including eight million cubic metres of reclamation, at a total cost of Rs19.228 billion.

In addition to this, KPT sometimes ago upgraded most of its existing berths as well, by deepening them up to 13 metres from 11.5 meters, thus enabling them to berth vessels with 100,000DWT (dead weight tonnage). having 305 metre length overall (LOA). The oil piers also have a 13-metre draft, and can accommodate tankers with 95,000DWT.

The KPT chairman said the Marine Protection Works at PDWCP has been completed. The MPW includes three breakwaters, and a sand dyke has been constructed by M/s China Harbour Engineering Company (CHEC) at a cost of Rs12.8 billion.

The deep water container terminal, he said, will have 10 berths, but port operations are expected to commence from next year initially with four berths. The quay wall of berths is being built by CHEC at a cost of about Rs18 billion.

The evaluation of tenders for providing aid for navigation works at PDWCP is in advance stages, and this will include buoys, lights, VT5, radar, communications and other aspects considered necessary for a modern terminal.

The depth of existing berths at East and West wharfs are being deepened to up to 13 metres, which will enable the port to accommodate larger vessels and meet economies of scale. Presently, he said, reconstruction of berths 15 to 17A, including that of Ship Repair Berths at East Wharf, is under way while five other berths – from 10 to 14 have been deepened to 13-metre draft and are already functioning.

The KPT chairman added that these berths could be deepened to 16-metre drafts to accommodate even larger vessels, known as 'mother ships,' if needed in the future. However, a turn circular will be needed for such huge vessels having length overall of over 350 metres, said Mr Hayat.

Meanwhile, the KPT is also going to sign a Memorandum of Understanding with Pakistan Railways for hauling bulk cargo like coal, clinker and cement. Mr Hayat disclosed that a dedicated coal berth will be constructed in the back area of PDWCP to meet rising imports of coal, as more and more power plants are being converted to coal.

### PMSA, PCG Given Powers to Arrest Smugglers

The Federal Board of Revenue (FBR) has empowered Pakistan Maritime Security Agency(PMSA) and Pakistan Coast Guards(PCG) to exercise powers for searching and arresting smugglers, power to stop and search sea transport with authority to confiscate smuggled goods till June 30, 2014. In this regard, the FBR has issued two notifications.

According to SRO 42 (l)/2014, the FBR has entrusted functions of officers of Customs under various sections and sub-sections of the Customs Act to all officers of the Pakistan Coast Guard not below the rank of Junior Commissioned Officer within their respective jurisdiction, subject to the laid down conditions. The functions shall be limited within 20 kilometres of coastline; the functions shall exclude the city municipal limits, Customs areas, Customs stations, ports, Borders Customs stations, International Airports and Bonded Warehouses, etc; they shall not check any bona fide passenger's baggage and goods cleared from any Customs area. Pakistan Coast Guard shall exercise due care and ensure that these functions are not used to the detriment of trade, imports and exports and to harass the general public; and the seized goods shall be dealt with under the relevant provisions of the Customs Act, 1969.

Through another SRO 43(l)/2014, the Board has

entrusted functions of officers of Customs under



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EXPORTS									
Vessel	Voy	Service	T-P	Terminal	ETA	CUT OFF	ETD	EGM	
COSCO KAWASAKI	019	AGI	MUN	KICT	12-02-14	11-02-14	13-02-14	4	
EVER PEARL	176	IBS	MUN	PICT	14-02-14	13-02-14	15-02-14		
MSC NATALIA	407	RSS	MUN	QICT	15-02-14	14-02-14	16-02-14		
NORTHERN PRELUDE	036	AGI	MUN	KICT	19-02-14	18-02-14	20-02-14		

Schedules are subject to change with or without notice.

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# ECSA/WCSA/Mexico/Caribbean/Central America

Vessel	Voy	Service *	T-P	Terminal	ETA	CUT OFF	ETD	EGM
MOL DIGNITY	027	SPX	PKG	KICT	16-02-14	15-02-14	17-02-14	
RIO CHARLESTON	1401	FIX	SHA	PICT	16-02-14	13-02-14	17-02-14	

ASA1/ASA2 **AJCS** 

ECSA: Santos, Montevideo, Buenos Aires, Rio Grande, Rio-de-Janiero, Pecem. WCSA: \*Manzanillo, Mexico (Panama), Cartagena, Kingston, Caucedo, San Juan, Peurto Cabello, Port Au Prince, Port of Spain, Havana, Georgetown, Paramarito, Colon Free Zone etc.

AGA 1 & AGA2

Manzanillo, Callao, San Antonio, Iquique, Lazoro, Cardenas, Buenaventura, Balbao, Guayquill. Accepting reefer containers to all above ports

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docs exp@mrqc.com.pk

Operation/Logistics: Naveed Fazlani Kumail 021-32424761 0300-8278303 Customer Service Export: 32477651 Import: 32477651 msl-customerservice@mrgc.com.pk

Upcountry Sales/Booking Lahore 0301-8465772 Ehsan Faisalabad:

For B/L Format: Fax No. 021-32414492

Customers service: Tel: 32477651

For Loading Program: Fax No. 021-32414492

Kaleem

# Imports/Notice to Consignees

Consignees must check with MSL vessel and cargo arrival prior to submission of Bills of Entry or any other documents with Customs. Carrier and local authorities' rules and regulations are applicable on every import shipment. Import Shipments will be delivered from the same terminal at which shipments are discharged. CY containers will be destuffed in port as per KPT rules. Containers rent will be in consignees account till destuffing.



# MARINE SERVICES (PVT.) LTD.



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# APSA HIGHLIGHTS

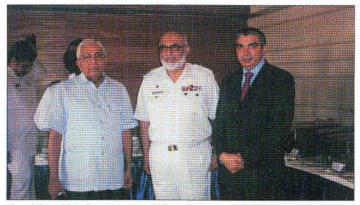
APSA Organized a Luncheon in the Honor of Mr. Kamran Michael, Federal Minister for Ports & Shipping - 22 May, 2014 (Karachi):



(from left to right): Mr. Abdullah Farrukh (Sr. Vice Chairman - APSA), Capt. Mushtaq Ali Shah (Chairman - APSA), Shah Ahmed Saeed (Afghan Ambassador), Mr. Kamran Michael (Federal Minister Ports & Shipping), Vice Admiral Shafqat Jawed (Chairman - Karachi Port Trust) and Capt. Haleem A. Siddiqui (Chairman - Marine Group of Companies).



(from left to right): Mr. Aasim A. Siddiqui (Group Managing Director - Marine Group of Companies), Capt. Mushtaq Ali Shah (Chairman - APSA), Vice Admiral Shafqat Jawed (Chairman - Karachi Port Trust) and Mr. Kamran Michael (Federal Minister Ports & Shipping).



(from left to right): Capt. Haleem A. Siddiqui (Chairman - Marine Group of Companies), Vice Admiral Shafqat Jawed (Chairman - Karachi Port Trust) and Mr. Aasim A. Siddiqui (Group Managing Director - Marine Group of Companies).



(from Left to right): Mr. Kamran Michael (Federal Minister, Ports & Shipping), Mr. Aasim A. Siddiqui (Group Managing Director - Marine Group of Companies) and News Reporters.



(from left to right): Mr. Raza Kazmi (Vice Chairman - APSA), Mr. Abdullah Farrukh (Sr. Vice Chairman - APSA) and Capt. Mushtaq Ali Shah (Chairman - APSA)

# All Pakistan Shipping Association at Intermodal Asia 2014 Exhibition

Date: 2nd April 2014

Venue: Shanghai World Expo Centre, China



2nd April 2014 (Shanghai, China):Mr. Ghazi Khan, Business Development Manager of Pakistan Intermodal Ltd., Ms. Sophie Ahmed, Event Director of Informa Exhibitions and Mr. Aasim Siddiqui, Ex-Chairman All Pakistan Shipping Association.



2nd April 2014 (Shanghai, China): Mr. Aasim Siddiqui, Ex-Chairman All Pakistan Shipping Association representing Pakistan at Intermodal Asia 2014 during his presentation on Economic Benefits of Pak-China Economic Corridor in the regional transport business through intermodal network.



2nd April 2014 (Shanghai, China): (from left)Mr. Alan Roos Murphy, COO of Seintel Maritime Analysis (Denmark), Mr. Aasim Siddiqui, Ex-Chairman of All Pakistan Shipping Association and Mr. Michael Pal, Principal Logistics Analyst of Fremantle Port (Australia).



2nd April 2014 (Shanghai, China): Coll MacDougall Hunter - Founder & CEO of Hunter Global Tracking (Switzerland) -formerly in UNCTAD, Transport- inquiring Ex-Chairman APSA about prospects of Pak-China economic corridor and its impact on regional trade.

# APSA Meeting with Chief Collector Customs Held at Custom House Karachi 13th May 2014, Karachi



(from left to right): Capt. Mushtaq Ali Shah (Chairman - APSA), Syed Raza Kazmi (Vice Chairman - APSA), Mr. Nasir Pasha (ANL), Mr. Imtiaz Hussain (Safmarine), Mr. Tahir Ayub (CMA CGM), Mr. Riaz Ahmed (Secretary General - APSA), Ms. Joanna Lobo (MSC), Mr. Manzoor Brohi (MSC).



(from left to right): Mr. Nasir Masroor (Chief Collector Customs - South), Capt. Mushtaq Ali Shah (Chairman - APSA), Syed Raza Kazmi (Vice Chairman - APSA).

various sections and sub-sections of the Customs Act to all officers of the Pakistan Maritime Security Agency not below the rank of Fleet Petty Officer within their respective jurisdiction.

# Transporters' Strike: PICT Agrees to Waive 100 Percent Demurrage on Cargoes

Pakistan International Container Terminal (PICT) has agreed to waive 100 percent demurrages imposed on imported cargo due to the 12-day long goods transporters' strike. A meeting between Chief Executive PICT, Captain Zafar Igbal Awan and Chairman Sub-Committee for Ports, Shipping and Multi-Modal Transport of Karachi Chamber of Commerce and Industry (KCCI), Asif Nisar, was held where representatives of PICT agreed to waive the demurrages. The issue was thoroughly discussed by the KCCI's representatives and PICT management and the PICT management agreed to grant this relief. The 12-day long goods transporters' strike completely halt the export and import activities. The port had started imposing demurrage on imported cargo as around 1100 containers arrive and are cleared daily at the ports.

Appreciating the gesture displayed by CEO PICT, Captain Zafar Iqbal Awan, towards providing relief to the business community, President KCCI Abdullah Zaki said that PICT had set a good example for other container terminals to emulate, which, if practiced, would help in reducing the grievances being faced by businessmen and industrialists.

Asif Nisar said that PICT would not charge any demurrage for the 12-day goods transporters' strike, whereas demurrage charges already paid by businessmen for the said period will be fully refunded by PICT through cheques.

### 'PR to Start Pakistan-Turkey Cargo Train'

Railways Minister Khawaja Saad Rafique has announced that the ministry is going to start a cargo train between Turkey and Pakistan. Addressing a news conference, the minister said that the Islamabad-Istanbul freight train would be restored soon and its linkage with India was also under consideration.

He said about 315 locomotives were in the pipeline, including 58 from China, 27 after rehabilitation from foreign companies and five from local loco-shops. The matter of 150 locomotives was under litigation, he added.

He said that 23 out of 58 locomotives would arrive from China by March, while the rest would reach after August. "A modern workshop has been set up for their maintenance," he added.

He said that privatisation of the PR was not even under consideration and only its restructuring would be done.

## Land Routes to be Opened for Transit Trade

In what appears to be a major policy shift, Pakistan has decided to open its land routes for transit trade under an international agreement.

Signed in December in the Indonesian city of Bali under the World Trade Organisation (WTO), the agreement calls for all countries to provide such transit for promoting regional trade.

After enforcement of the agreement, possibly by July this year, Pakistan and India would also not be able to prevent traders from using their land route for sending products to other countries.

Some people, especially those who will be responsible for creating infrastructure at the border or maintaining highways, say the agreement may put additional burden on the country's resources.

But Commerce Minister Khurram Dastagir Khan insists that the agreement will be beneficial to

Pakistan because it will ensure transit facilities for Pakistani goods through India to Nepal, Bhutan and Bangladesh. "We will also get market access to neighbouring countries," he told media. Although extremely beneficial to traders who may use Indian land to export and import goods to and from countries such as Bangladesh and Nepal, it is not clear to what extent this facility will boost trade through that route. Currently, Pakistan allows land route.

Afghanistan for its exports to india, but the same facility is not available to the latter.

"Transit trade between India and Afghanistan through Pakistan is our major red line," a senior government official told the media. After acceding to the agreement, Islamabad has lost freedom to exercise its discretion, he added.

The agreement has also bound member countries to develop infrastructure on borders out of their own resources. The agreement says members are encouraged to make available, where practicable, physically separate infrastructure such as lanes, berths and similar for traffic in transit

Recently, the FBR convened a donor conference to get assurances from donor agencies to provide funding to set up infrastructure.

A customs official said massive resources were required to build infrastructure at Wagah, Torkham and Chaman.

# Afridi Links Economic Development with Gwadar Port

Gwadar Port has potential to change the economic outlook of Pakistan bringing prosperity to each individual, province and the country, said Colonel Maqbool Afridi (Retd) chairman standing committee on Gwadar promotion and development (FPCCI).

While, briefing the business community on "Gwadar-potential and prospects" at Federation House here, he said the country's economic development is linked with Gwadar Port and it should be developed at all cost to save dwindling economy and bring prosperity, and added that to achieve this task every stakeholder should have motto of "Build Gwadar and Develop Pakistan".

"Being a deep sea port and because of its location it will attract business of the region and the world like a magnet. China is planning to develop an Industrial City having latest technology/machinery and government is procuring one lac acres for Oil City", Afridi said. In order to keep the Gwadar operational, role

In order to keep the Gwadar operational, role of different segments is required and main role has to be played by the government, which must have firm, friendly and vibrant policies with regard to the businesses and trade, he said.

# Drop in NATO Cargo Affecting Transportation Business

Non-commercial cargo movement of North Atlantic Treaty Organization (Nato) forces and International Security Assistance Force (Isaf) from Pakistan to Afghanistan has plunged 90 percent to less than 100 containers per day. Previously, the number of containers per day was somewhere between 400 and 500, said a major cargo handler dealing in non-commercial transit cargo.

Himayat Shah, general secretary of All Pakistan Combined Trucks and Trawlers Welfare Association, attributed the sharp decline in movement to blockade of Nato cargo from Torkham border and the protest of a political party.

On their way back to Pakistan, the number of cargoes, mostly having armoured vehicles, machineries and other equipments, dwindled to eight to 10 containers per day, he said.

He said around 6,000 trawlers and 12,000 trucks and smaller cargo pickups are meeting the logistic demand of local and transit trade. However, over the recent years, the fleets have mainly been handling cargoes of Afghan Transit Trade (ATT), Nato/isaf and World Food Programme's food aids for Afghanistan.

Since the missing containers scam in 2011, it has become mandatory that all transit cargo will be handled through bonded cargo carriers.

He said all the truck and trailer owners are from Khyber agency and belong to Afridis, Shinwari, Mullagori, Shalman tribes. Majority of the drivers also belong to Khyber agency.

# Foreign Companies Approach PR for Investment: NA Body Told

Foreign companies including Electronic Data Magnetics (EDM), a US and German company have approached Pakistan Railways (PR) and showed their interest to invest in PR, said Railway Minister Khwaja Saad Rafique. PR is engaged in negotiations with National Logistic Cell (NLC) to utilise their 10 locomotives on rental mode and in case of success, the number of freight locomotives would touch 55 by the end of current fiscal year while it is likely to reach 80-100 locomotives by the end of fiscal year 2014-15, Railway minister said while briefing the National Assembly's Standing Committee on Railways, which met with Naveed Qamar in the chair.

He further said that the foreign companies had approached Board of investment (BoI) and expressed interest to invest in PR and they wanted to visit Risalpur locomotive factory to review their investment plan. The minister said that M/S Dong Fang Electric Corporation of China had been blacklisted while a warranty claim to the tune of Rs 2.58 billion was being lodged on account of chronic/inherent defects of Chinese locomotives.

A PR official while briefing the committee said that PR owns a fleet of 409 diesel electric locomotives; more than 58 percent locomotives have out-lived their economical life of 20 years. At present the number of locomotives available for operations is 200 against 183 in June 2013. He maintained that the locomotives spare parts supply remained below 50 percent in last 3 years due to less allocation of funds. Both factors i.e. overage and less availability of parts contributed heavily towards unavailability and reliability of locomotives.

## Ferry Service to Middle East

A number of foreign shipping companies have expressed interest in starting high speed ferry service to carry perishable goods including edibles to Gulf and Middle East within 28 hours.

In a meeting with Minister for Ports and Shipping Senator Kamran Michael, the representatives of these companies assured to start the service within one to two months once the formalities are completed.

The minister was also informed by shipping companies that high speed boats will have 45 to 50 nautical miles speed per hour and would be able to reach Gulf countries within 28 hours. This will reduce the cost of exports by up to 75 per cent because currently perishable goods are being airlifted.

Senator Michael said the government will introduce reefer containers which could have cooling facilities for longer period of up to nine days.

## Transit of Arms, Military Equipment Prohibited

The Federal Board of Revenue (FBR) has issued procedures for clearance of Afghan transit trade through the customs computerised system under which transit of arms, ammunition and military equipment have been disallowed.

To implement the changes the FBR amended Customs Rules 2001 through SRO 121(I)/2014. The notification said: "Unless agreed upon by the two contracting parties, the transit of arms, ammunition and military equipment shall not be allowed."

The processing of transit trade cargo will be cleared for the following routes: Afghan commercial cargo imported through Karachi Port, Port Muhammad Bin Qasim, Gawadar Port or Sost; Afghan commercial cargo from Afghanistan to India through Wahga; Afghan commercial cargo from Afghanistan to other countries; and non-commercial cargo.

Under the amended rules, customs authorities would select five percent of goods declaration for mandatory examination. "The selected consignments shall be examined 100 percent," according to the regulatory order.

As per rules, carrier declaration has been made mandatory to be uploaded electronically along with vehicle number for processing of Afghan transit goods at the departure. All containers meant for Afghanistan are required to be fitted with a tracking device and subject to mandatory scanning. The terminal operator and customs staff have been authorised to conduct physical inspection at the departure.

A financial guarantee, in form of financial security, on transit goods is also mandatory to be paid by Afghan importer of goods or authorised customs agents in Pakistan. Customs authorities have been authorized to encash the financial guarantee in case of non-receipt of cross border certificate of goods departed from Karachi or any other station.

The rules also made mandatory for the carriers to reach destination within prescribed time limit under the law. "The system shall auto-block the carrier who fails to deliver the cargo within the prescribed time," the notification said.

Procedure in respect of transit goods through Wahga is almost the same. However, detailed examination of the goods is allowed to be dispensed with if the seals are intact. In case contravention is committed, as per the rules notified, the penalty would be a term not exceeding five year imprisonment and a penalty up to twice the value of declared goods. The notification said that upon identification of contravention the goods would be confiscated.

## 'Uplift Work on EPZ Gwadar Soon'

The establishment of Export Processing Zone in Gwadar will produce conducive environment for economic uplift of the country and will help enhance Pakistan's trade relationship with the international community, an official said.

These views were expressed by Export Processing Zones Authority Chairperson Rabiya Javeri Agha, while presiding over a meeting with the EPZA management/officials, it said.

The creation of Export Processing Zone in Gwadar will help provide ample opportunities to bring local and foreign investment, she said, adding that this requires expediting the work on project under high priority.

By establishing the Gwadar Zone, trade activities of the country, as well as of the region will get a chance to further accelerate.

"Gwadar Port has a unique identity and it is of prime importance for the Middle East and Gulf countries too.

To harness the immense economic potential of the port, we must devise a comprehensive and workable strategy to get maximum benefits from this natural gift. It will produce plenty of employment opportunities for the local residents of the Balochistan province," Agha added.

# Pakistan-China Sign Accord for Projects Worth \$20 BN

Pakistan and China have signed an agreement of "early harvest projects" in the economic corridor under which Beijing will provide more than \$20 billion for projects to generate over 20,000MW of electricity and other crucial infrastructure projects. Ahsan lqbal, Federal Minister for Planning, Development and Reform, signed the agreement with his Chinese counterpart, Vice Chairman NDRC. Zhang Xiaoqiang, in the presence of presidents of China and Pakistan in Beijing.

The projects will include the Karakoram Highway up to Islamabad, Karachi-Lahore Motorway, new Gwadar Airport and economic zones. Ahsan lubal said China had agreed to finance projects in Pakistan in energy, transport, rail and road links. The minister did not give any specific figure of financing from the Chinese side for executing projects in Pakistan, saying that the multi-billion dollars projects would be financed to execute the energy projects for producing 20,093MW electricity in public and private sectors. When asked about the Chinese demand for relaxing the Public Procurement Regulatory Authority (PPRA) rules, the minister said no such specific thing came under discussion during the Joint Ministerial Commission (JMC) meeting in Beijing. However, he said, they would surely like to see the Chinese companies to do business with Chinese financing.

### PR to Lay New Track between Karachi, Gwadar

Pakistan Railways (PR) is planning to lay track to link Karcahi to Gwadar seaport to facilitate traders.

PR sources said that the new track would fulfil the needs of transportation of goods to Gawadar in future. Moreover, the PR was in contact with China for preparing studies for construction of Khuzdar, Baseemah, Jacobabad and Dera Ghazi Khan main line (ML-2) and China would finalise the studies till the end of December 2015.

China will bear all expenditures of the study of laying the new railway line. The PR is focusing on speeding up revenue generating activities under the direction of Minister Khwaja Saad Rafique.

The PR is also working on restoration of ECO train for Turkey via Tuftan and Zahedan. The train will help traders to transport their goods through train among Turkey, Iran, India and Pakistan.

The department is also planning to construct a dry port for container-holding at Havelian near Abbotabad for facilitating trade with China. After construction of the port, about two million tons of goods could be transported between Khunjrab and Havelian.

### SCCI for Launching Islamabad-Istanbul Cargo Train Service

Local exporters and manufacturers have urged upon the high-ups of Pakistan Railways that 'Cargo Train' service between Islamabad-Istanbul should be initiated as early as possible, said Sialkot Chamber of Commerce and Industry President Dr Sarfraz Bashir.

Talking with media, he said the local business community had widely hailed the decision of starting cargo train service between Islamabad and Istanbul and termed it a right step in a right direction which would facilitate the exports from Pakistan.

Sialkot is export-oriented city and a large number of exporters were engaged in exporting goods to Turkey and other areas, therefore that train service would be beneficial for the exporters to enhance export from Sialkot to Turkey and beyond, he said. The cargo train service should be initiated as soon as possible to facilitate the exporters which would be commercially profitable for Pakistan Railways, Dr Sarfraz said.

The SCCI President further said the cargo train service would also help in exporting to Europe as Turkey is a gateway to Europe.

# Pakistan Invites Bahrain to Invest in Gwadar, Energy

Pakistan has offered Bahrain an opportunity to invest in Gwadar Port and its energy and mining sectors, encouraging the Gulf monarchy to take advantage of the liberalised investment regime that in return will help Islamabad attract capital to boost its flagging economy.

"Bahrain has expertise in oil and infrastructure projects and Gwadar Port and the energy sector may be attractive for the Gulf country," said Dr Musaddaq Malik, Special Assistant to the Prime Minister.

He was speaking at the Bahrain-Pakistan Business Forum, held to mark the current visit of King of Bahrain Hamad bin Isa Al Khalifa to Islamabad.

As many as 17 memoranda of understanding were signed between Pakistan and Bahrain and between Bahraini government and Pakistani investors. The agreements were aimed at venturing into new areas and expanding existing facilities set up in Bahrain by Pakistani investors.

Malik pointed out that China would invest \$33 billion over five years in Pakistan, of which \$18 billion would be pumped into infrastructure projects. He suggested that Bahraini investors should become equity partners of China to explore the opportunities.

He told the investors that they could also set up power plants in Pakistan - an area where the country offered a minimum 17% guaranteed rate of return with sovereign guarantees. In return, Pakistan can provide human capital and invest in the food sector, the areas where Bahrain is in need of external help.

Commerce Minister Khurram Dastagir offered Bahrain an opportunity to invest in the textile sector in order to get advantage of the 10-year duty-free access to European markets. In the same manner, Pakistan could also benefit from the free trade agreement between Bahrain and the US by establishing industrial units in the Gulf state.

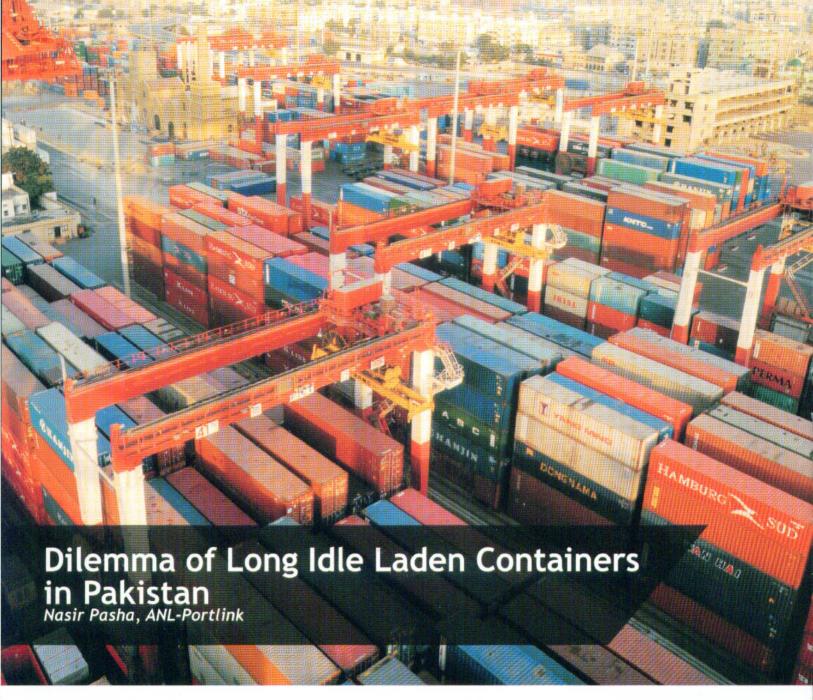
# PTO Brings ISO Tank Cleaning Plant in Pakistan

Pakistan Terminals Operators (Pvt) Ltd (PTO) have announced to bring the first ISO tank cleaning plant in Pakistan using machinery by world renowned manufacturer and leading cleaning machine operator 'Weidner'. PTO is a successful Joint venture between EZESCM (Pvt) Ltd. & Freight Connection Pakistan. Founded in September 2013, PTO is established in Port Qasim, Karachi. This facility is the only dedicated tank cleaning and service depot of its kind in Pakistan.

Owing to the non-availability of a proper/professional cleaning/washing facility and the high cost pertaining to the shipment, handling and cleaning of these empty ISO tanks from Pakistan, the partners of PTO saw a huge potential to offer professionally run, tailor made facility dedicated to cleaning, storage, repairs and support services for ISO tanks.

The project was initiated in collaboration with Weidner; a German company well known in the industry of pressure cleaning systems who developed this tailor made machinery.

The tank cleaning station is built to serve and facilitate international tank operators as well as local bulk liquid tankers of food and chemicals. PR



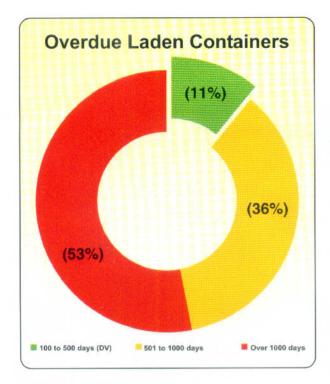
All Pakistan Shipping Association (APSA) vows to highlight this issue at all appropriate forums, not only for the benefit of trade but also in the supreme national interest of Pakistan. Several meetings with Customs, NTTFC & FBR have already been conducted, but adequate results are yet awaited.

It is noticed with due concerns that figure of stranded containers is on the rise gradually and touching the alarming levels in Pakistan. Foreign carriers are extremely perturb and are thinking on this issue very seriously. APSA is thus under a tremendous pressure from its members "stake holders" which include Terminals, Carriers and Shipping Agents. They all want this over a decade neglected issue should be fixed by concerned Authorities now!

# A QUICK VIEW OF LONG IDLE CONTAINERS AT ONLY 3 TERMINALS AS FOLLOWS

(Figure of long idle containers at Off Dock Terminals & Dry Ports not included in that).

Location	100 to 500 days		Total	501	to 1000	days	Total	Ov	er 1000 d	days	Total	<b>Grand Total</b>	
	Size 20	Size 40	Size 45		Size 20	Size 40	Size 45		Size 20	Size 40	Size 45		
KICT .	72	122	0	194	369	462	4	835	661	455	3	1119	2148
QICT	95	133	0	228	197	87	0	284	374	686	0	1060	1486
PICT	44	105	0	149	84	46	.0	130	0	507	0	507	786
Reefer	0	0	0	0	0	1	0	1	2	0	0	2	3
Afghan Cargo	8	20		28	26	654	0	680	41	157	0	198	906
Grand Total				599				1930	WHATE			2886	5329



Now let us look into the figures of Idle containers in neighbors China & India. Imports in these countries are way more than of Pakistan and also the number of Ports & Dry Ports is much more than ours. Interestingly, we all (China, India and Pakistan) have got similar legislation in place to deal with frustrated cargo, under article 30 of PRC Customs law, section 48 of Indian Customs and section 82 of Pakistan Customs respectively. But the overdue laden containers are not at a noticeable level by the foreign carriers in these lands.

What is the fate of cargo lying under auction over

1000 days. Carrier's containers are playing the role of storage houses for the goods

We cannot direct the wind but we can adjust the sails



getting de-valued day by day and still awaiting for the bids !!! Ultimately many commodities may be allowed for destruction and at day end result in no recovery of DUTY & ASSESSED VALUE.

If you Chase two Rabbits, Both will Escape

What if the Customs Auction Committee may be bound to execute auction of cargo not later than 6 months of its arrival if they remain uncollected at quay! In a nutshell, a huge revenue that is in papers or in stranded containers can be transformed into Government Treasury promptly. A slight amendment of delimiting in section 82 or 201 of Pakistan Customs Act 1969, can make it happen.

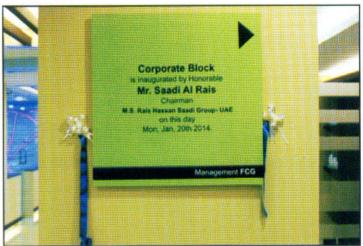




Freight Connection Pakistan (Pvt) Ltd. new premises inauguration ceremony took place on 19th January 2014 at Bahria IV building- Karachi.

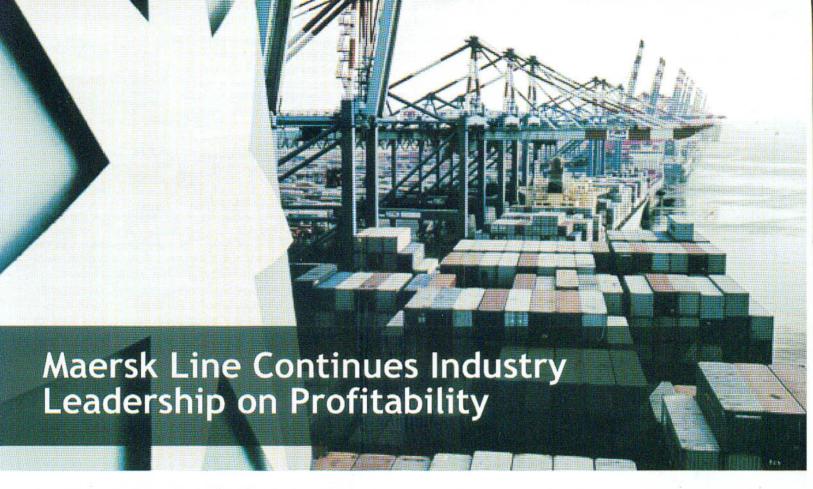
The office was officially inaugurated by Mr. Saadi Al Rais, Chairman of RHS Group - UAE. Freight Connection Pakistan is one of the leading groups in Pakistan Logistics industry; engaged in the provision of shipping services, freight forwarding, logistics and other related freight transport activities.











Maersk Line made a 2013 profit of US\$1.5 billion despite a difficult market with deteriorating rates through a focus on further reductions of unit costs. The 2013 full-year result of USD 1,510 million was an improvement of one billion over 2012. Return on invested capital (ROIC) was 7.4% for the entire year.

The industry environment will continue to be challenging in 2014 - and beyond. Global demand grew by around 5% year on year in Q4 2013, which was close to the strong development in Q3, but supply, especially due to growth in the very large vessel segments, continue to outgrow demand.

"Maersk Line current global market share is on par with that of 2012 and going forward we intend to grow with the market, "says Morten Moller Jensen, Country Head, Maersk Pakistan Private Limited.

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To be the world leading carrier means knowing exactly how important is our customer's promise to their end buyers, and by coming up with efficient solutions to such problems Maersk Line ensures that the customers stand out as the supplier of choice. The New Maersk Line.com, a redesigned web platform, is a stepping stone which enables our customers to operate effectively and efficiently. It offers fast, intuitive self-service applications which have been built for the customers every day need. New improved features have been introduced which make the processing of shipments and information easier than ever.

"The new website is very welcoming & user friendly. There are easy navigation tools and it saves a lot of time," says Adnan Mohammad Siddique, Ocean Freights Export-Documentation, Value Logistics.

# Maersk group cherishes the T20 World Cup spirit with its valued customers.

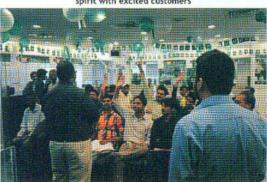
Cricket is the favourite pastime of the nation, and the front offices of Maersk Line and Safmarine Pakistan reaffirmed this adage with the advent of the T20 Cricket World Cup. The counter area of both lines was decorated with Pakistan flags and posters of our cricketing heroes in support of the home team, and different quiz competitions and lucky draws were held for all visiting customers. The excitement in the air remained palpable throughout the world cup, with cheers of celebration and chants of "Pakistan Zindabad" being a common occurrence within the counter area.

"Shipping is beyond transportation of goods from A to B. We live and cherish relationship with our valued customers, and our T20 venture was one more reason to celebrate this relationship." says Muhammad Imran Saleem, Credit Controller (Finance), Maersk Pakistan Private Limited.



Cricket fever highlights

Maersk Line &Safmarine team members living up the green
spirit with excited customers





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At Maersk Line, we understand the challenges of the Mango industry faced when trying to effectively tap into the growing export potential of the global market. We understand arriving late to market limits your ability to plan a lean inventory and run an efficient cold storage supply chain.

Being the top carrier in Pakistan for both exports and imports, with longstanding experience in the transportation of refrigerated cargo, Maersk Line is committed to enable you to stand out as the supplier of choice by delivering your mango cargo in optimal conditions on time, every time.

# THE MAERSK LINE ADVANTAGE:

BEST - IN CLASS SCHEDULE RELIABILITY: A continued commitment to reliability and on time delivery that has seen us reach the number 1 position in 12 of the last 13 quarter Drewry schedule reliability reports. Our On-Time delivery ensures you can leverage the first – to-market credibility and command a premium of your goods.

INNOVATIVE REEFER TECHNOLOGY:

With a deep – rooted legacy in refrigerated transport industry, our advanced technology such as Controlled Atmosphere (CA) containers and dedicated reefer specialists, we ensure your cargo quality is maintained and delivered fresh.

YOUR KNOWLEDGE PARTNER:

We offer operational assistance and instructions on packing & stuffing, to ensure freshness and quality of your export cargo. With a deep understanding of the business we help you take advantage of new business opportunities, leading to increased revenues and business growth.

GUARANTEED SPACE & EQUIPMENT: Assuring quality & availability, we ensure smooth functioning of the supply chain framework that allows you to meet your forecasted business volumes and revenue earnings.

ROBUST E-COMMERCE SOLUTION:

such as providing the ease to track your reefer cargo and receive proactive ETA notifications simplifies your processes and provides ease of doing business.

GREEN CARRIER - A SUSTAINABLE CHOICE: By choosing Maersk Line, you are considering the environmental impact of transporting your cargo. Shipping refrigerated cargo can be 25 times more CO2 efficient than moving it by air. In addition, Maersk Line is already one of the most CO2 efficient shipping companies in the world, having cut our emissions by 15% per container moved between 2002 and 2008. By 2017, we plan to reduce our emissions by a further 20%

