**MINUTES OF THE PSAA EXECUTIVE COMMITTEE**

**MEETING HELD ON 21.03.2017 AT 3.00 P.M.**

**AT ASSOCIATION’S OFFICE, KARACHI**

Present:

Mr.Khalid Wasim Khokhar Chairman

Capt.M. Nouman Alvi Senior Vice Chairman

Mr.Asim Saeed Khan Vice Chairman

Mr.Tariq Haleem Executive Committee Member

Capt.Kamal A. Mahmoodi Executive Committee Member

Mr.Jawed Iqbal Executive Committee Member

Mr.Bilal Barket Executive Committee Member

Capt.S.M. Farooque Executive Committee Member

Mr.Amir Ali Jamal Secretary General

Mr.Syed Tahir Hussain Deputy Secretary

Regrets:

Mr.Kareem Ispahani Executive Committee Member

Ms.Ava A.Cowasjee Executive Committee Member

A meeting of the Executive Committee was held on Tuesday, 21.03.2017 at 3.00 pm at Association’s office, Karachi.

**1) To confirm minutes of the EC meeting held on 18.01.2017.**

The minutes of the EC meeting held on 18.01.2017 were approved by all present.

**Matters arising from the last Meeting:**

Mr.Tariq Haleem informed vessels chartered for export cargoes are liable to 8% freight tax which in most of the cases is exempt due to bilateral treaties of double taxation after submission of required documents hence revenue collected by FBR on this head is negligible. He added he has raised this issue with Chairman, FBR through FPCCI and TDAP for total waiver of tax on export which will encourage more shipowners to enter Pakistani market and to offer their services on C&F basis apart from FOB.

**2) To discuss clearance of split consignments of vessels berthed at East Wharf and shifted to West Wharf through WeBOC system.**

Mr.Amir Ali Jamal informed deep draft vessels berthed at East Wharf used to be shifted to West Wharf after discharging part cargo. This practice ceased after introduction of WeBOC and creation of two separate Appraisement Collectorates. Mr.Mohammed A.Rajpar recently discussed this issue with Mr.Abdul Rashid Sheikh, Chief Collector (South-Appraisement) and Dr.Fareed Iqbal Qureshi, Collector (Appraisement-West) who informed due to WeBOC software, pre-existing procedure (shifting of vessel) cannot be adopted however shifting can be made possible if:

i) Ship’s Agent lodges two separate VIRs i.e. declaring/creating two separate voyages for the same vessel one each for East Wharf and West Wharf.

ii) Two separate Bills of Lading/DOs for cargo discharged at East Wharf and West Wharf respectively.

The above procedure if adopted will make shifting of vessels possible resulting in quick turnaround time and ease in congestion.

(2)

He added this idea was circulated to all EC Members, Capt.Javed Iqbal and Mr.Younus Vayani on 06.02.2017 to obtain their views. Mr.Younus Vayani responded as follows:

a) It is not possible to make two separate VIRs i.e. declaring/creating two separate voyages for the same vessel within the Karachi Port, as VIRs need to be closed by applying for vessel’s PC so how can one apply for PC for moving vessel from East Wharf to West Wharf?

b) Bills of Lading are always issued from load port and how it is possible to issue two separate DOs for one consignment?

He suggested that Customs should make changes in Collectorates as follows:

- 01 Collectorate  for Bulk/Break Bulk Cargo for East/West Wharf.

- 01 Collectorate for Containerised cargo for East/West Wharf.

Mr.Tariq Haleem informed recently he has been to Islamabad for few days and raised the issue with FBR who not only promised to look into this issue on priority basis but passed on the necessary instructions to concerned Customs officials at Karachi to look into the issue.

**3) To discuss visit to Gwadar.**

Mr.Amir Ali Jamal informed PSAA had organized a day long visit to Gwadar in February, 2004 whereby around 20 members visited to see the upcoming facilities and infrastructure of the Port. He suggested PSAA should organize another visit to see the existing situation on the ground.

Capt.M. Nouman Alvi stated there are no substantial changes in the infrastructure therefore visit would not be fruitful for our members at this stage. However, he recommended first PSAA should organize a seminar in collaboration with China Overseas Ports Holding Company Ltd. (COPHC) in order to judge the interest of members whereafter we can review the situation.

Mr.Amir Ali Jamal added during the visit we can also meet other important entities namely GPA, Customs, etc. Mr.Jawed Iqbal informed Collector of Gwadar sits at Gadani.

Mr.Tariq Haleem informed he can arrange a presentation on Gwadar.

All present agreed with the suggestion of Capt.M.Nouman Alvi.

**4) To discuss Shipping Agents Rules.**

Mr.Amir Ali Jamal informed FBR issued initial draft of Shipping Agents Rules on 15.07.2015 which was circulated amongst members for comments. After getting input from members PSAA replied to FBR on 12.08.2015 highlighting several reservations.

On 11.12.2015 FBR issued Shipping Agents Rules vide SRO No.1220(I)/2015 dated 04.12.2015. Some of the issues highlighted by PSAA were included in the Rules. However, due to some un-acceptable clauses in the final draft PSAA had challenged these rules in the Sindh High Court which is now *sub-judice.* He stated after the meeting he will email EC Members copy of Shipping Agents Rules as well as some reservations identified by PSAA in order to get feedback from EC Members.

He added Customs has shown willingness to discuss the issue in order to find out some out of court settlement and for this purpose meeting with Preventive Collectorate officials will be held soon.

(3)

**5) To discuss private Terminals unilaterally introducing idling charges and increase in water charges at PQA terminals.**

Capt.M. Nouman Alvi informed FAP and LCT have unilaterally imposed idling charges on vessels applicable from 1st January, 2017 and 1st March, 2017 respectively. Similarly, FAP, FOTCO and LCT have increased water charges without any prior intimation and consultation with stakeholders which is unprofessional and highly objectionable.

He was of the view there is no such provision in their respective tariffs and suggested the matter should be raised with the Chairman, PQA for resolution. All present agreed to his suggestion.

**6) To discuss nomination on KDLB Board.**

Mr.Amir Ali Jamal informed two years tenure of Mr.Younus Vayani, PSAA’s nominee on KDLB Board will expire in June, 2017.

Mr.Khalid Wasim Khokhar informed that he is satisfied with the performance of Mr.Younus Vayani and recommend his name to be continued as PSAA nominee on the KDLB Board.

All present agreed to this recommendation.

**7) Any other business with the permission of the Chair.**

a) Mr.Amir Ali Jamal presented letters dated 20.03.2017 by KCAA, dated 17.03.2017 Pak Afghan Transit Trade Clearing Agents Group and dated 03.04.2017 by PIFFA requesting PSAA to influence its members for waiver of demurrage and detention attracted due to closer of border between Afghanistan and Pakistan. He added there is no fault of Shipping Lines/Agents and we have seen such situations arise frequently due to strikes, disputes with law enforcing agencies, Customs, etc. Therefore, he did not find any justification for PSAA to intervene. All present agreed to this suggestion.

Mr.Tariq Haleem informed Afghan traders are already enjoying free time ranging between 21 to 45 days hence they are not likely to be affected.

b) Mr.Amir Ali Jamal informed recently some Shipping Lines/Agents have imposed Port Congestion Surcharge at the rate of USD 150 for 20' and USD 300 for 40' (to be collected from consignees at the time of cargo delivery) on the pretext of congestion at KICT. He added unfortunately PSAA cannot discuss this issue due to Competition Commission of Pakistan rules.

Mr.Tariq Haleem informed he intends to raise this issue from the platform of FPCCI.

c) Mr.Asim Saeed Khan informed recently he has seen copy of "Pakistan Courier and Logistics Regulatory Authority Bill, 2017" which he has passed on to PSAA whereas "Logistics Service Providers Development and Regulatory Authority Bill, 2015” is already in the pipeline to be enforced upon Shipping Lines/Agents. He added the Government is targeting our sector with too many legislations and he failed to understand what is the difference between these two legislations.

It was decided to write NTTFC with a request to enlighten PSAA about difference between these two legislations.

d) Mr.Amir Ali Jamal presented membership application of M/s. Forbes Shipping Company (Pvt) Ltd.  All present approved the membership.

(4)

e) Mr.Amir Ali Jamal informed following 06 members have regretted to renew their memberships due to business constraints namely M/s.Entice Shipping Services (Pvt) Ltd., M/s.James Finlay Ltd., M/s.Noble Shipping Services (Pvt) Ltd., M/s.Standard Shipping Pakistan (Pvt) Ltd., M/s.Tradesia (Pvt) Ltd. and M/s.Uniship Agencies (Pvt) Ltd.

There being no other business the meeting ended with a vote of thanks to the Chair at 04.30 pm hours.

**Confirmed**

**Date:\_\_\_\_\_\_\_\_\_ Chairman:\_\_\_\_\_\_\_\_\_\_\_**