

Our Correspondent

## **Government to unveil shipping policy next week**

KARACHI: The government will unveil the new shipping policy next week, replacing the two decades old framework, and to announce a score of incentives for the expansion and development of maritime sector in the country, a minister said on Saturday.

Minister for Maritime Affairs Ali Zaidi said he would hold a press conference next week to share the details of the new shipping policy with the stakeholders. He was speaking at the Karachi Chamber of Commerce and Industry (KCCI).

The Economic Coordination Committee of the cabinet has already approved the new shipping policy, which would strengthen the shipping sector and benefit exporters through various tax incentives.

Under the new policy, exemption from general sales tax and customs duty on import of ships has been extended from 2020 to 2030. Besides, now the new Pakistan resident ship-owning companies would pay tonnage tax of \$0.75 per gross register tonnage annually for the first five years of the shipping operations. No direct and indirect taxes would be levied on ship-owning companies during the exemption period.

KCCI President Junaid Makda said the government should take concrete measures to support shipping industry.

“Due to delayed deliveries, importers and exporters suffer losses,” Makda said. “A vibrant shipping sector is a must for the betterment of economy, and government should take measures to improve ease of doing business for the sector.”

With just 10 ships at present and that too only in the government sector, the country’s shipping line is very tiny. The existing ‘Pakistan Merchant Marine Policy 2001’ gave incentives to ship-owners by exempting all kinds of import duties till 2020 but they bear no fruits.

Government organisations would be able to import hydrocarbon cargoes on free on board basis. The new policy would give berthing priority to flag carriers.

The Karachi Port Trust has been tasked to print cards, in collaboration with the National Database and Registration Authority (Nadra), for seafarers, enabling them to board ships. Printing has been on halt for the last two year due to unavailability of required hardware/software at Nadra.

Businessmen said private sector is wary of government policies and lack of understanding of international shipping conventions by Pakistani authorities. This is one of the reasons behind the stagnant shipping sector, they added.

Inconsistency of policies, cumbersome procedures and the memory of 1974 nationalisation of private shipping companies have contributed to the lack of growth.

The business community apprised the minister of the issues and problems facing Karachi and urged the government to live up to their promises.

The meeting discussed the sanitation campaign in details, while Zaidi announced to form a committee with direct access to government authorities, which would help in quick redressal of the city’s problems.