

RECORDER REPORT

**Private container terminals barred from collecting scanning charges**

KARACHI: Ministry of Maritime Affairs has directed Karachi Port Trust (KPT) and Port Qasim Authority (PQA) to immediately stop private container terminals from collecting scanning charges.

According to the letter issued by ministry, it was informed in a meeting held at Pakistan National Shipping Corporation (PNSC) that private containers terminals, operating at KPT and PQA were collecting scanning charges (five dollars on each and every container), albeit only 1 percent to 1.5 percent of the containers actually undergo scanning.

The levy of such charges without use of scanning services is an undue burden on the local businesses and increases the cost of doing business and it is, therefore, detrimental to the national economy, the letter said.

In addition, the levy of such charges is neither covered under any statute nor by the contracts executed between two port authorities and the terminal operators. The levy of scanning charges especially in respect of containers is not subjected to scanning and also defies commercial rationale and business sense; the letter said and added that no scanning charges were being levied at Gwadar Port.

The MMA therefore directed to immediately engage with the managements of private container terminals and issue necessary instructions to forthwith stop the levy of scanning charges on containers which were not selected for scanning.

Furthermore, the ministry also ordered to forward compliance report in this regard before September 30, 2019.

Meanwhile, Arshad Jamal, vice president FPCCI lauded the efforts of MMA to restrict private containers terminals from collecting scanning charges on un-scanned containers; saying it would reduce cost of doing business.

Moreover, he said that these terminals had fixed different charges for scanned and un-scanned containers i.e. they collected \$35 to 40 on the containers, which underwent scanning and \$5 to \$7 on those containers, which were not selected for scanning.

Arshad said terminals and shipping companies were also involved minting money under self-created charges, which were not agreed by the trade; adding that FPCCI and All Pakistan Customs Agents Association (APCAA) had been discussing this issue at all forum for last 10 years; finally first positive step to resolve trade long-lasting demand was taken and more efforts were required to abolish several other hidden charges, being collected by the terminals and shipping companies.

He also informed that terminals had been collecting scanner charges since 2005 and now the authority concerned after taking such laudable measure should order for audit of terminals accounts in order to ascertain where millions of rupees collected under the said head were utilized.