

**New shipping policy offers incentives to private sector**

ISLAMABAD: The Federal Minister for Maritime Affairs, Syed Ali Haider Zaidi, on Friday announced the country's new shipping policy under which incentives have been provided to private shipping companies.

While addressing a news conference along with the Prime Minister's Advisor on Commerce, Abdul Razzak Dawood, in Islamabad, the minister said the government wanted to involve the private sector in the shipping business.

The minister said the vessels registered in Pakistan would be exempted from customs duty, income tax, and sales tax till 2030.

Ali Zaidi said the Pakistani flag carrier vessels would also have the first berthing rights at the port.

The federal minister hoped that three to four shipping companies would soon buy vessels in the country.

He said the new shipping policy would also facilitate fishermen.

Separately on his Twitter account, Ali Zaidi said the new shipping policy would lift the maritime sector in Pakistan to new heights, which had never been witnessed before.

The minister said the shipping companies could now take advantage of the liberal fiscal concessions and low markup rates offered by the State Bank of Pakistan (SBP) under the Long-Term Financing Facility (LTFF) to acquire ships flying the Pakistan flag.

Ali Haider Zaidi said that this business-friendly policy would reduce the annual freight bill of more than US\$ 5 billion on Pakistan.

The minister said it would also generate employment opportunities for the seafarers and allied sectors.

It will also generate employment opportunities for our seafarers/allied sectors, he said.

Zaidi said that it was only possible due to the vision of Prime Minister Imran Khan who declared 2020 as "Year of Blue Economy".

He said that Pakistan residents-owning company would be defined as a company registered with the Securities and Exchange Commission of Pakistan (SECP) and having its own seaworthy vessels registered under the Pakistani flag.

The minister said that shipping industry was vital as it operated during peace times as well as in emergencies and high risk.

He said the new shipping policy was introduced to expand and earn foreign exchange for the country.

Ali Zaidi said that in January 1972 all the industries in Pakistan were nationalised including the shipping industry.

He said that all the shipping companies at that time were merged into Pakistan National Shipping Corporation.

“Over the years, as the nationalization was reversed with privatization, the industry began to recover with the exception of the shipping industry,” he said.

The minister said it was the need of the hour to revive this industry as we had lagged way behind our regional competitors such as Bangladesh.

He further said that as Pakistan relied on international shipping lines for its trade, adding that it was losing foreign exchange, which could be saved by developing local shipping industry. The minister said shipping industry had the potential to expand and earn foreign exchange for Pakistan.

Ali Zaidi said that the maritime industry was directly connected with many ministries.

He acknowledged the support and cooperation of Advisor to the Prime Minister Abdul Razzak Dawood.

The minister said a port city had vital role in development of the country, adding that the maritime sector was ignored in the past.

Ali Zaidi said that new Pakistan residentship owning companies would be incentivized and pay tax of US\$ 0.75 per GRT for the first five years of the shipping operations of each individual vessel inducted by them subject to the cut off period till 2030, after five years, Pakistan residentship owning companies shall pay US1 dollar per GRT annually on the said vessels' shipping operation income.

He said no federal tax would be levied to the detriment of Pakistan residentship owning companies during the exemption period.

He added that no preference would be given to the PNSC in private sector cargo.

“In light of the shipping industry's significance in overall economic development and foreign exchange savings shipping industry has been allowed to avail Long-Term Finance Facility (ITFF)/ Islamic Long-Term Finance Facility (ILTFF),” he added.