MACN 2ND ROUNDTABLE CONFERENCE

Identification of Mal-Practices / Corrupt Practices and their solutions
in the Maritime Industry of Pakistan

August 24, 2023 | 6:00-8:00 PM | Hotel Mövenpick Karachi, Pakistan





Meeting Objectives:

- Identification of malpractices / corrupt practices and their solution in Maritime Industry of Pakistan
- Point of view of private sector - senior leadership of various Associations including Traders, Chambers of Commerce, International Chamber of Commerce, Customs Agents, Terminal Operators, Freight Forwarders, Ship's Agents, Shipping lines, Stevedores, Bonded Carriers, Off-dock Terminals
- Sharing of challenges faced by various stake holders
- Sharing of positive / good practices

2nd Round-table Conference was organized by Global Compact Network Pakistan (GCNP) and Maritime Anti-Corruption Network (MACN), Denmark at Movenpick Hotel, Karachi, Pakistan on August 24, 2023.

The esteemed participants of the Meeting were from:

a) All Pakistan Custom Agents Association.

b) All Pakistan Shipping Association

c) All Pakistan Paper Merchant Association

d) International Chamber of Commerce

e) Karachi Chamber of Commerce & Industry

f) Karachi Custom Agents Association

g) Off Dock Terminals (Karachi)

h) Pakistan Ships' Agents Association

i) Pakistan Stevedores Conference (Guarantee) Limited

j) PIFFA - Pakistan International Freight Forwarder Association

k) PRGMEA - Pakistan Readymade Garments Manufacturers & Exporters Association

l) Terminal Operators (sea port)

Mr. Majyd Aziz, President GCNP, in his opening remarks said that the aim of this conference was to initiate an open and candid discussion. To facilitate this, Chatham House Rules would be adhered to. Communication could take place in Urdu and/or English language as per convenience.

In this context, we often focus on direct corruption of government officials. This misuse of their discretionary powers is not simple bribery. It is extortion, as these individuals exploit their positions. Additionally, we grapple with the trading of insider information and influence peddling. In Pakistan, we face the challenge of favouritism, cronyism, nepotism, and similar practices. This can undermine transparency. It is often stated that the global economic cost of corruption has been estimated over two trillion dollars worldwide. Much like elsewhere, corruption has been institutionalized in Pakistan, too. The modus operandi often involves companies exerting influence by giving costly gifts or hosting special dinners for officials.

Our focus is now on subsequent actions. Our collective action should be directed towards developing an action plan. We may choose only one department and try to eliminate corruption. If we can achieve this then the model can be replicated throughout the entire structure, from top to bottom, whether it's within government, the political sphere, the judicial system or private sector.

Mathias Bak, Associate, MACN Denmark, stated that he believed that the most opportune approach was to harness the potential of MACN and to collectively formulate an action plan. MACN has undertaken projects in numerous countries, including Argentina, Egypt, Ukraine, Nigeria, India, Bangladesh, and are also expanding in Indonesia. Hence, they possess insights into how this system works. Mr. Bak stated that he believed that having all stakeholders gathered and adopting a collective approach truly proves effective, along with the advantages associated with it. Firstly, this enacts the concept of strength in numbers. The initial reason why this approach is so influential is that when stakeholders unite, they establish a cohesive platform. If they collectively voice their stance against corruption, their message becomes far more powerful. Pooling their resources magnifies both their voices and their capabilities. Their actions are driven not solely by ethical considerations, but also by economic sensibility.

This could involve sharing data regarding specific practices they aim to change or collectively opposing something through a campaign. When they harness the strength of numbers, they gain the ability to bring about significant change. Another compelling reason for the potency of collective action is its potential to pave the way for shared, transparent, and publicly accessible standard operating procedures. Agreeing upon standard operating procedures means setting common benchmarks. When all adhere to the same rules, they also understand what to expect from fellow stakeholders and public authorities. Establishing these operating procedures also enables them to define what constitutes a violation.

Hence, creating standard operating procedures (SOPs) can serve as a means of mutual accountability, which inherently acts as a robust deterrent against various illicit activities. Additionally, these shared standards allow assessment of potential violations based on a common framework. This can be framed as compliance with established operating procedures—a shared framework for conducting business—rather than resorting to accusations like corruption.

Moreover, collaboration of stakeholders from various sectors, gathered around the same table, enables all to tackle misunderstandings, inefficiencies, skewed business practices, and potential conflicts arising due to these inefficiencies. Drawing from their experiences in past projects, from Nigeria to Argentina, and increasingly in Egypt, India, and other countries, sustained improvements in business environment for maritime enterprises were seen after such collective efforts. It all originated from a diverse group convening and focusing on future objectives.

International Chamber of Commerce stated that they hold observer status at the UN and support initiative of the Global Compact Network Pakistan and MACN. In the ICC, they have an internationally recognized Customs and Trade Facilitation Commission that addresses various aspects related to customs facilitation, trade, shipping, logistics, and more. They also look after the International Road Transport Union (IRU) matters. As a member of the International Road Transport Union, they are a part of the Global Compact Network Pakistan's initiative.

Traders / Importers discussed issues related to Shipping Lines and Terminal Operators. These included exorbitant and unjust charges and practices. It was stated that Statutory Regulatory Order (SRO) 450/2001 mentions that only the shipping line would issue the DO (Delivery Order). However, the shipping line/agent does not give any facility. The definition of 'Freight' in international law and local practice remains a contentious issue. These practices sometimes lead to inflated charges, concealed within the freight cost. Additionally, there are some opaque charges during the loading process, under the label of 'CYCY' ('Container Yard' to 'Container Yard'). Terminal handling charges are also included in these charges. Port Terminals also receive charges from Traders. Hence, Traders pay charges at the time of booking (at load port), to shipping company and also to the terminal operator for handling containers.

Traders made efforts and SRO 1220/2015 was issued wherein the shipping companies cannot charge any demurrage and detention where specifically it is not agreed and also not mentioned on the B/L (Bill of Lading). Input of Shipping Agents was also obtained by the trade. Traders stated that the Shipping Agent were of the view that if charges were written on the B/L then they would charge, on which trade agreed. Customs declared that if illegal charges were demanded, then customs would cancel the licence. Shipping sector went to the court. Court never stated that they can demand illegal charges. One may see any law, Hague Rules, Hamburg Rules, SRO 1220/2015, any international or local law, if it permits to impose such charges trade is willing to pay the same.

If shipping sector is providing any facility, then they can charge. One shipping company is charging Rs.50,000 other Rs.100,000 and third Rs.300,000 for issuing a paper called 'Delivery Order' (DO). One trader paid Rs. 125,000 as DO charges for one container and Rs. 225,000 for next two containers. The shipping sector was asked by the traders about the rationale of such charges. They stated that it was a practice in Pakistan and they charge this amount for their expenses. There is an estimate that the sector collects 75 billion rupees from Pakistan in the name of DO charges. Customs don't take any action and hide behind the pretext of court proceedings regarding SRO 1220/2015. The matter is pending in the court.

The traders further said that in the past Competition Commission of Pakistan raided the offices and got papers, which revealed that Shipping Companies simply asked to charge this much of amount. Competition Commission imposed a fine of 1 million rupees.

Port terminal operators may confirm whether the scheduled charges should be paid by the shipping companies or the importer, if the B/L carries condition of 'CY to CY'. If same charges are paid at multiple stages then it increases the cost of doing business.

Moreover, charges are in dollars. If the charges are $50 in USA then the same amount should not be taken in Pakistan and may commensurate as per local environment and cost/charges.

Traders often find themselves constrained by the terms of shipping company's contracts and prevailing regulations. Traders feels that the Pakistan Ship's Agent Association's office and the Competitive Commission of Pakistan can play an important role in this matter. The concerns should be addressed.

Traders were of the view that international shipping law may be implemented. The question is whether this is the responsibility of Ministry of Maritime Affairs or any other government department. In Pakistan there is no legal frame work but Ministry of Maritime Affair should take up this matter and initiative.

All Pakistan Customs Agents Association (APCAA) informed that in the past, the Karachi Chamber of Commerce took the initiative of forming a committee comprising amongst others, of Customs, Director General of Port and Shipping, Chairman Pakistan National Shipping Corporation and Karachi Customs Agents Association. The Committee, with the consensus of all the stakeholders recommended establishing a Shipping Rates Advisory Board (SRAB). Mr Hasil Bukhsh Bizenjo was heading this initiative. The file is with the Secretary Ministry of Maritime Affairs. Had the recommendations of the Committee been implemented, the issue would have been resolved.

APCAA emphasized focus on international standards of terminals, shipping lines, and other sectors. The Terminal Operators facilities are neither in accordance with international standards nor as per agreement with the Government of Pakistan. The examination area does not have sheds and in the rainy season examination is halted which causes delay and importer has to ultimately pay the demurrage / storage charges of the Terminals. If a container sustains damage during this period, the trader bears the charges.

APCCA also proposed the establishment of a Maritime Ombudsman for this sector, as has been done by some countries. Spot mediation has also gained popularity in recent years due to its effectiveness in resolving disputes quickly.

Traders/Exporters stated that DO charges (Delivery Order Charges) vary among shipping companies, ranging from Rs. 90,000 to Rs. 140,000. The trader cannot argue about this disparity otherwise his container is held up for 2-3 days and he had to pay extra storage charges to the terminal. Container deposit fee used to be Rs.10,000 but now it ranges from Rs. 70,000 to Rs. 400,000. Refund is issued 2-3 months after the return of the container. At times, the refund cheque is post-dated. With the current interest rate of 20-22%, the companies earn interest on this held up amount. Shipping line or agency may resolve these issues.
FBR has many issues. Valuation is the key issue we may fix the values and tax rates. If we fix the rates then corruption will be reduced.

The Chamber of Commerce & Industry's representative stated that the container deposit was usually refunded quite late. In one case a shipping company refund security deposit was taken in December 2022 and refunded on August 22, 2023, after a delay of about 8 months.

3 – 5 days free period is given by the Shipping companies. Thereafter until 9 days, US $ 70/day are charged, then after 10 days $120/day are charged. If the container is returned after more than 10 days, the shipping lines charge $120/day for complete 10 days without deducting the free days period.

In recent past when foreign exchange was not available and L/C payments were not being released by the State Bank of Pakistan (SBP), the clearance was delayed due to SBP's policies and importers had to pay a rent of PKR appx 2-3 million on one container. The Chairman Karachi Port Trust (KPT), Mr Tariq Huda and Finance Minister, Mr. Miftah Ismail intervened and offered shipping lines to allow removal of containers from the port and unloading of goods at either the KPT premises or at the Trading Corporation of Pakistan (TCP) godown free of charge for subsequent clearance by the customs and banks but the shipping lines did not agree to the proposal, stating that they would not allow to move containers until original B/L is provided.

Customs, which is a licensing authority for shipping lines / agents, was empowered to reduce / waive the shipping charges if there is no fault of the trader. However, these powers could not be exercised by the Customs department due to court cases. The powers of Customs to issue Delay & Detention certificate was challenged in the court and a stay order was granted. Individual traders cannot afford expensive lawyers

unlike shipping companies. These lawyers help in maintaining the stay order. Customs and Maritime Departments do not pursue cases effectively and are helpless.

The security deposit pay orders may not be encashed and security returned without delay. Another issue is that, with the time period for depositing the container security pay order being 1000 Hours to 1200 Hours, a ship berthing late on Thursday is unable to deposit the pay order within the time frame on Friday but the container free period or rent period continues to be counted over the weekend.

In case of imports, the Saturday is off-day by the Shipping Lines when the Customs, Banks, Ports and Terminals operate as usual is tantamount to penalizing importers by way of applying late charges. On the other hand, the same shipping lines work on Saturdays and Sundays in case of exports, understandably as this facilitates their business. Thus, in case of imports, same treatment may be given.

Container damage charges issue was discussed. One participant quoted an incidence where in case of 7 B/Ls container deposit amount was withheld allegedly due to container damage. The item stored in the container being perfumery, there could not be any damage caused. On top of this, the shipping surveyor arrived after a delay of a week to conduct the survey. At this stage, even if the surveyor declares that container is not damaged, one has to pay the surveyor charges. There are instances where same container came from Dubai 3-4 times and every time container damage charges had to be paid as importer / traders had no option and no remedy available. With the shipping line charging for insurance of containers, there should not be any container damage charges.

A fraud of NVOCC (Non Vessel Owning Common Carrier) has come to surface where one operator has disappeared after taking PKR 350 million from traders, bonded carriers etc. NVOCC works like a Freight Forwarder and issues DOs etc. The issue is that when NVOCC does not lodge an Import Manifest, it should not be allowed to issue DOs. These should be issued by the shipping line, which lodges Import Manifest.

Terminal Operators occupy major port areas and have complex agreement with KPT. The signatory for the terminal operator and the person actually managing and operating the terminal are different. Some terminals are being operated by tax haven companies or off shore companies, raising possibility of tax avoidance also. Such companies must not be engaged.

Similarly, while charges for dangerous goods are imposed on such cargo, no separate area has been ear-marked for such goods by the Terminal Operators. Moreover, staff is not skilled and mishandling can lead to container damage and these incidents are recorded through videos and such damage charges are to be paid by the importer despite having no fault on his part.

At times, the shipping companies do not receive containers, which are returned on Fridays by the importer. This forces him to retain the containers over the weekend ending up with an undue payment of three days. Besides the truck has also to be engaged for the weekend as it waits till Monday when shipping company receives empty container. Truck charges are also paid for 3 days. The shipping companies should receive the containers on 24/7 or at least on weekends also when they work for export of cargo round the clock.

Karachi Customs Agents Association (KCAA) stated that besides DO charges, Late DO Charges were also being taken. When no service / facility is being provided, then there is no justification for DO or Late DO Charges.

Referring to Dirty Container Charges, an example of a container of Pharmaceutical Injections was given. This container was cleared under the Green Channel, but Dirty Container Charges were imposed. The participant stated “we can’t fight or protest as we don’t know who decides these charges “.

If Container Charges or Delivery Order Charges of one client of a customs agent is pending then shipping companies halt processing and releasing of containers of all of his different clients. This is an illegal practice besides being ethically and morally incorrect.

The Terminal Operators while replying to the observation regarding companies registered in tax havens areas, stated that it is not necessary that every off shore company is involved in evasion of taxes or in money laundering. In case of evasion, such companies show activity in off-shore area while in fact no physical activity is generated there and only fake income is shown. But, if a Terminal is registered in Pakistan, made with heavy investment and providing services, employment and using latest technology and paying due taxes in Pakistan, then it should not be labelled as evading taxes. One such terminal was among the thirty highest tax payers in Pakistan and taking out profit after permission of the SBP.

Sea Port Terminal Operators (TO) charge for the facilities and services like delivery, stuffing, scanning, cross stuffing, examination or any other service as per laid down tariff, provided by them on the request of importers or exporters. TOs charge all clients uniformly not resorting to the illegal practice of differential treatment to customers and taking unauthorized charges. TOs aim to clear the container taking minimum dwell time and use space to roll maximum containers.

Shipping Lines are coming to Pakistan because of latest facilities provided by the Terminal Operators. In the past, gate vessels used to come at the port. Swing operations were carried out i.e., unloading from one side and then the ship was moved to unload from other side and all extra expenses were borne by the traders.

Pakistan National Shipping Corporation (PNSC) should have taken over the shipping operations but unfortunately, they did not come up to the expectations and traders had to rely on the foreign shipping lines.

There were complaints of examination areas being unclean and dirty. One terminal made improvements by laying plastic sheets and canvas cloth in the examination area. This practice was then followed by others.

The TO can reduce demurrage / storage charges if rental agreement with the government / port authorities (KPT/PQ) is revised and rent is reduced. The benefit can then be passed on to the clients. Presently the government is not prepared to lose its revenue.

During foreign exchange (FE) shortage, Terminal Operators asked the government to allow cross stuffing so that the local cheap containers could be utilized and shipping line containers could be returned. In such situations container can be replaced and all other formalities including FE availability, customs assessment and examination can be completed subsequently. Government may allow cross stuffing in future if such a situation arises.

Customs is authorized to issue Licenses to shipping lines / agents. A Delivery Order is required to take delivery of the cargo. If Customs allow Cross Stuffing of the cargo in another container, then the shipping line should issue a No Objection Certificate. This measure would also be in the interest of the shipping lines.

An amendment should be made in the Customs Law that, in unusual circumstances and where there is no fault of the importer (like Foreign Exchange issue or COVID like situation), Customs can ask the Shipping Line to issue an NOC for cross stuffing and DO may be issued after payment of duty / taxes and other formalities. The shipping company should be bound by the Government / Customs to issue NOC for cross stuffing. If required other relevant and applicable laws should similarly be changed, or perhaps a regulatory body should be formed to monitor this.

The government should have come to help the trade because there was no fault on their part but they were suffering and losing money due to delay in issuance of foreign exchange. Raw material was not available to factories at that time.

One major issue is that of stuck-up containers. Many containers are stuck up in auction. There are hundreds of containers and customs does not release the containers prior to auction.

An innovative solution needs to be found for situations such as non-availability of foreign exchange and detrimental effects on the business environment and economy of pandemics. We should not need to approach a Terminal or a shipping line. There should be some built in mechanism to deal with such

emergencies. Terminal Operator does not charge any amount outside their fixed tariff. TO want to create space and clear the containers to utilize the space. If it does not, it will lose money.

The President GCNP was of the view that we should find a common ground and also try mediation where required. There is an institution known as Musaliha International Centre for Arbitration and Dispute Resolution (MICADR) which can help in immediate mediation. Stakeholders should come on one platform to suggest and implement quick dispute resolution mechanism.

The Off-dock Terminal Operator's representative stated that there are certain issues regarding compliance. With the passage of time, there is a lot of improvement in Terminal businesses over the last 20 years. There were cases of missing containers as all processes were manual. It was decided later that there should be a complete tracking trail for each and every container. Now this system has gradually improved and, with automation, it has created a lot of transparency in the workflow as it was an international need. The cargo log is always maintained starting from booking and then passing authorization. There are a lot of checks and balances. The cargo is off loaded at the terminal and reported to the Customs Authorities. In the past, even the consolidators didn't know about the container in which his export cargo had been sent and only the terminal used to tell them. But now information is available / uploaded and it is already known which cargo will be loaded in which container. In case of Exports, certain compliances are required. For example USA needs special certificate and compliance procedure and also needs to see the working ability of the terminal, code of conduct, dealing with the customers and dispute resolution mechanism. LCL cargo (loose consignments) are mostly cleared from the off-dock terminals.

The Pakistan International Freight Forwarder Association (PIFFA) stated that when a container is stuck up and not cleared in time, then government cannot waive off its rent (dues of the shipping company) or storage charges (dues of terminals). To ensure timely clearance of containers, the government should define timelines for examination and clearance of containers from various departments, whether it is Custom, Plant Quarantine, PSQCA or any other department. The issue arises as the importers themselves don't know about the clearance time. There was no problem of foreign exchange prior to July-August 2023, but issue of these late charges was there. The Shipping Lines and Terminals already give free time. The Custom department should clear those consignments in a given time frame.

The problems faced by Importers have been discussed, whereas no issues of exporters were discussed. If the corruption in Customs and other departments is eliminated, then there will be no delay at all. There should be a transparent policy of the government to accelerate clearances, say commodity wise fixation of duty and taxes etc.

The government rejected the suggestion of cross stuffing, which is a solution but we understand that this was not easy. Since containers are not cleared in time, the Importers ask for more time beyond the free period. The reasons for delays in clearance of goods from customs / other departments need to be defined and analysed and addressed. The Customs department could fix some timelines in which the goods are cleared. If the goods are not cleared, they should be sent to the warehouse to avoid any late charges.

Some issues can be ascribed to the Importers also as a large number are involved in under valuation or mis-declaration or claiming wrong exemption. These scenarios cause delays in clearances of consignments. Presently, over 55% of consignments are cleared in the Green Channel from Customs. For the rest, some timelines have to be fixed or in case of discrepancy some solution must be found.

As for freight charges, customers do not pay freight at the load port. This burden then comes at the destination port and on the importer. Secondly, NVOCC means that they have a license and they can file manifest and work like a shipping line.

Pakistan Ship's Agents Association (PSAA) stated that presently there is no legal cover to MACN but since a number of presidents of various trade organizations / associations are sitting so it has a say and legal support. If 10 presidents of the trade organizations sitting here could not resolve these issues then how MACN, which otherwise has no legal cover or legal authority, can do it?

The participant talked about FIA and especially immigration of ships. If a ship is berthed at the Karachi Port or Port Qasim, FIA staff check crew documents. Every seaman or seafarer should be entered in the Seaman Book. If FIA staff member says that this book is not acceptable then what is the remedy? The flag state issue the Seamen Book. We are signatory of IMO and ILO also under which ID cards are issued to seamen. It would help to know the law under which this book is not acceptable since the shipping agent has to inform his principal. The laws at least should be quoted under which the seaman book is not being accepted and ship is being threatened with a fine.

That shipping line / agent and its principal has the legal right to know so that they can approach a court of law. A superintendent is barred from leaving the ship but the FIA (immigration) doesn't quote any law. The seaman book is issued and Pakistan is signatory of ILO convention under which seaman employment card is issued. And when the ship is registered in some country and they issue a book then there should be no question. So if a superintendent cannot be allowed to leave the ship then this fact may be given to shipping agent in writing. The Superintendents at the ship are retired seamen and their names are already entered in the seaman book. After retirement, they join as a superintendent. Only their status is changed and it is entered in the seaman book that now they are joining as superintendent. Certain crew members are also not accepted by immigration staff despite their entry in the seaman book.

If the ship is registered in one country and Seaman Book is issued from some other country it is not accepted. Basically, the responsibility is that of the flag state where the ship has been registered and that country takes the whole responsibility of everything including the crew and entry in the papers.

If the crew member comes to Pakistan, we earn foreign exchange, which is spent in our country. In the past, a number of crew members (25 people or sometimes more) used to sign off and join so they used to come to Karachi. The crew members used to fly to Pakistan and spent one or two days and then leave for their country or join the ship. In fact, it was a form of tourism.

Now they have stopped changing crew here and do so in Dubai or some other country. IMO adopted a convention in 1978 called the International Convention on Standards of Training, Certification, and Watch-keeping for Seafarers (STCW). The immigration staff questions the documentation under ILO agreement and IMO. The issue is whether the immigration staff of FIA has been trained under STCW. Similarly, there is an Environment Protection Department, which imposes fines on the ships. The government should train their people in their departments so that they can bring improvement in the working and follow the law and conventions signed by the Pakistan.

All Pakistan Shipping Association while replying to the complaints related to illegal or hidden charges by the shipping lines, it was clarified that there are no hidden charges and all charges are contractual and according to the bill of lading and the carriage contract. The shipping lines charge as per declared tariff, which is accessible to everyone and is displayed at the website. If some Shipping Line or Shipping Agent claims other than the published tariff then the charges definitely are illegal and the shipping line association does not support it.

The shipping lines have a legal and compliance team which are the ambassadors and are against any corruption or money laundering or illegal charges. We will take up corruption issues at the highest level and we condemn any form of corruption.

As for container detention charges, every shipping line give some free days and if the consignment is not cleared in that free time then definitely rent charges also called container detention charges, would be

imposed. Container is the asset of the shipping line and whether it is leased or owned, it is the property of shipping line. So if there is no fault of a shipping line and its containers are stuck up then definitely, they have a right to charge the rent. We don't take any undue advantage at all. Our utmost priority is that the container should be cleared immediately. But in case of floods, there are shipping companies which increased free period. Similarly in case of COVID-19 millions of rupees were waived off.

As far as the Damage and Dirty Container charges are concerned specific complaints are not known. If there are some issues or some illegal demands the matter should be brought to the knowledge of the Association and since every shipping line has a different procedure so that the Association could take up the matter with individual shipping line and then decide at higher level. We cannot talk on behalf of individual shipping line at this forum.

As far as delay in returning of security deposit and encashment is concerned, again the Association is not in a position to talk on behalf of individual shipping line and individual complaints. If the security amount is not returned in 2 to 3 months then it is not a proper way. We condemn any such illegal practice. But every shipping line has its own procedure. Since several departments are involved in processing so probably it takes some time in processing the refund claim which could be 2 to 3 weeks. Every shipping line has its own policy and working so we can discuss again the issue at the Association level and if there are some instances, we can talk to individual shipping line in this regard.

This conference was about the collective approach towards anticorruption measures in maritime sector. We should move forward how to stop corruption and wish you to talk about it and then make policy and discuss it at higher level.

The training is an important aspect, because there are a lot of departments which don't know the consequences or exact legal position. Systemic changes are also required. Basically, we need to start from the top level and at the policy making level in all organizations.

Pakistan Stevedore Conference (Guarantee) Limited (Association of Stevedores) stated that Abu Dhabi Port had taken over operations of one terminal and it is heard that they may take over other terminals and berths also. Thus they are trying to remove the stevedoring from berth 10-17 at Karachi port and this will kill the employment opportunities. The taking over organisation will simply say that we don't need these Stevedores or KDLB (Karachi Dockyard Labour Board) labour. Our existence is threatened. After coming of Abu Dhabi port the operational cost will increase. This issue needs to be taken up. Similarly Customs Agent will also be not working in that area.

Syed Tanvir Ahmad, Advisor GCNP-MACN, thanked all participants and appreciated their inputs and feedback. He also acknowledged that many issues could not be discussed and debated due to paucity of time. On immigration SOP progress, he informed participants that MACN had contacted Assistant Director, Immigration and sent a letter to the Director FIA. On a complaint of Pakistan Ship's Agents Association an inquiry was initiated, which has yet to be concluded. When this issue was discussed with FIA, they informed that no action could be taken regarding new SOP as they follow the existing FIA handbook and current law on the subject. Immigration staff is of the view that a ship is registered in one country whereas the Seaman Book has been issued by Panama or some tax havens in most of the cases and are suspicious. Whether they're right or wrong, it is their interpretation of law. The FIA (immigration) is of the view that we can sit together and develop an SOP so that we can be on the same page. It was proposed that MACN may send a draft SOP to immigration. The shipping line and shipping agents associations may draft an SOP to be discussed with FIA and to send it to higher level for approval. The PIFFA may be consulted in this regard by the All Pakistan Shipping Association and Pakistan Ship's Agents Association.

He suggested that as there could be issues which had not been discussed due to shortage of time, the same could be given in writing. Many participants pointed out that there was no legal framework for various stakeholders. There were some proposed draft law on logistics in the past, which could not be passed by the parliament. We wish to take your opinion on that legislation also whether it should be pursued as such or needs some changes. But there should be some law where all the stakeholders should agree to bring transparency.

Mediation is another solution that we have discussed at this forum. While it is an innovative suggestion, it has yet to be tried. MACN is not a legal force but with stakeholders support, it can be an effective voice with the backing of UNGCN and MACN Denmark. MACN has 190 members and mostly shipping lines. Some countries including India have done a successful experiment and establish a helpdesk.