



THE FEDERATION OF PAKISTAN
CHAMBERS OF COMMERCE & INDUSTRY
وفاق ایوان ہائے تجارت و صنعت - پاکستان

Karim Aziz Malik
Chairman Capital Office

FPCCI/ISL-08/2024 - 182
February 16, 2024

✓ Dr. Iram Anjum Khan
Federal Maritime Secretary
Ministry of Maritime Affairs
Islamabad.

Mr. Jameel Ahmad Qureshi,
Secretary
Special Investment Facilitation Council
Prime Minister's Office, Islamabad.
WhatsApp No: 0308 5008855

Sub: Unjust High Rates and Practices at Karachi Gateway Terminal Limited (KGTL).

Please accept the highest compliments from The Federation of Pakistan Chambers of Commerce & Industry (FPCCI).

I am writing on behalf of Mr. Atif Akram Sheikh, President of the Federation of Pakistan Chambers of Commerce & Industry (FPCCI), expressing our deep concern and strong opposition to the exorbitant tariff hikes faced by importers and exporters in the handling of cargoes at Karachi Gateway Terminal Limited (KGTL) following the privatization of bulk berths at Keamari.

The recent joint venture between AD Ports and Kaheel Terminals with AD Ports as the majority shareholder in KGTL has led to unprecedented challenges for the importers and exporters of Pakistan.

It has been brought to our attention that (apart from other matters) importers and exporters are being burdened with enhanced stevedoring and cargo handling charges at KGTL - in some cases amounting to nearly double of old rates that were in practice before KGTL takeover.

We have also been receiving complaints that KGTL is resorting to favoritism towards some stevedores against the wishes of the concerned business houses - both importers and exporters.

A few values basis per shipload of major dry bulk cargoes are given below.

- Wheat : average import value of cargo per shipload is about USD 17 to 20 million (based on cargo quantity of about 63,000 metric tons per shipload & C&F value of about USD 270/- per metric ton). About more than 1 million tonnes are on the high seas and expected to arrive within February – March, 2024.
- Clinker : The average export value of cargo per shipload is about USD 1.7 to 1.8 million (based on cargo quantity of about 55,000 metric tons per shipload & FOB value of about USD 31/- per metric ton). Total export is about 3 million tonnes per

FPCCI Capital Office Islamabad
FPCCI Capital House, Aiwan-e-Sanat-o-Tijarat Road, G-8/1, Islamabad-44000, Pakistan.
Tel: +92-51-2251891,92-93 E-mai: karim.malik@fpcci.org.pk, islamabad.capital@fpcci.org.pk URL: www.fpcci.org.pk

FPCCI Head Office, Karachi
Federation House, Tariq Sayeed
Complex, Main Clifton Block-5,
Abdullah Shah Ghazi Road,
Karachi-75600, Pakistan
Tel: (92-21) 35873691-94
Fax: (92-21) 35874332
E-mail: info@fpcci.org.pk

FPCCI Regional Office, Lahore
22 - West Canal Bank Road
Near Tech Society, Lahore.
Tel: 042-35293411-12
E-mail: lahore.regional@fpcci.org.pk

FPCCI Regional Office, Peshawar
Office No-4, 2nd Floor,
Al-Fatah Medicine Center, New Krishanpura,
Near Bank of Punjab, Main G-T Road,
Peshawar, Khyber Pakhtunkhwa, Pakistan.
Tel: (92-91) 9225362-63-64
E-mail: peshawar.regional@fpcci.org.pk

FPCCI Regional Office, Quetta
Office No.7, 2nd Floor,
QCCI Building, Zarghoon Road,
Quetta, Cantt, Pakistan.
Tel: (081) 2826472
E-mail: quetta.regional@fpcci.org.pk

FPCCI Regional Office, Gwadar
Business Centre, Gwadar Free Zone,
Pak-China Friendship Road, Gwadar
Tel: (92-86) 4211112
E-mail: gwadar.regional@fpcci.org.pk



annum. This export cargo is highly sensitive to pricing and even a few cents increase in costs may totally wipe out this business which brings in revenue of about USD 1 billion per annum or more.

- Rock Phosphate : The average import value of cargo per shipload is about USD 10 million (based on cargo quantity of about 50,000 metric tons per shipload & C&F value of about USD 200/- per metric ton). Total imports are about 6 million tonnes per annum. Total imports are about USD 1.2 billion.
- Fertilizers : The average import value of cargo per shipload is about USD 24 million (based on cargo quantity of about 40,000 metric tons per shipload & C&F value of about USD 600/- per metric ton). Total imports are about 1.2 million tonnes per annum = about USD 720 million.

Business Houses whether exporters or importers cannot entrust these high-value cargoes to any unacceptable stevedores and cargo handling agents. All importers and exporters have their own tried and tested panel of stevedores and cargo-handling agents.

The decisions of the importers and exporters should be honored and also there should be no loading on past prevailing rates at which the businesses were being awarded by the concerned parties.

We appreciate that KGTL is taking steps in the right direction in regard to better management of transport within the port and weighbridge etc., etc., but this cannot be treated as a value addition or a reason for the levy of extra charges.

HOWEVER, the purpose of the Government of Pakistan to award our berths to KGTL is that they will be providing state-of-the-art terminal equipment and facilities with high-value additions which would result in overall savings to the business community.

Therefore, till there are provable/tangible facilities provided to the satisfaction of the concerned business community NO extra charges whatsoever should be levied. Services should be provided at previously acceptable rates duly approved by the concerned business house and by their approved service providers.

IN FACT, we believe from reliable sources that Karachi Port Trust will be taking 15% of gross billing on stevedoring and cargo handling services in the form of royalty. This should also not be imposed till such times as a proper fully operational terminal with KGTL providing stevedoring and cargo handling services themselves (not outsourcing or subletting) is in place.

Moreover, the conditions imposed for cargo delivery, such as the requirement to produce all released customs and shipping documents 24 hours before delivery are impractical and contribute to operational challenges for importers. KGTL lacks the necessary machinery for undertaking delivery/loading operations, making it impossible for importers to comply with these conditions.

The timing of these extra costs / adverse decisions is particularly alarming given Pakistan's economic challenges and the urgent need for external financing. The financial

FPCCI Capital Office Islamabad

FPCCI Capital House, Aiwan-e-Sanat-o-Tijarat Road, G-8/1, Islamabad-44000, Pakistan.

Tel: +92-51-2251891,92-93 E-mai: karim.malik@fpcci.org.pk, islamabad.capital@fpcci.org.pk URL: www.fpcci.org.pk

FPCCI Head Office, Karachi

Federation House, Tariq Sayeed Complex, Main Clifton Block-5, Abdullah Shah Ghazi Road, Karachi-75600, Pakistan
Tel: (92-21) 35873691-94
Fax: (92-21) 35874332
E-mail: info@fpcci.org.pk

FPCCI Regional Office, Lahore

22 - West Canal Bank Road
Near Tech Society, Lahore.
Tel: 042-35293411-12
E-mail: lahore.regional@fpcci.org.pk

FPCCI Regional Office, Peshawar

Office No-4, 2nd Floor,
Al-Fatah Medicine Center, New Krishanpura,
Near Bank of Punjab, Main G-T Road,
Peshawar, Khyber Pakhtunkhwa, Pakistan.
Tel: (92-91) 9225362-63-64
E-mail: peshawar.regional@fpcci.org.pk

FPCCI Regional Office, Quetta

Office No.7, 2nd Floor,
QCCI Building, Zarghoon Road,
Quetta, Cantt, Pakistan.
Tel: (081) 2826472
E-mail: quetta.regional@fpcci.org.pk

FPCCI Regional Office, Gwadar

Business Centre, Gwadar Free Zone,
Pak-China Friendship Road, Gwadar
Tel: (92-86) 4211112
E-mail: gwadar.regional@fpcci.org.pk



THE FEDERATION OF PAKISTAN
CHAMBERS OF COMMERCE & INDUSTRY
رفاق ایوان ہائے تجارت و صنعت - پاکستان

Karim Aziz Malik
Chairman Capital Office

burden on importers and exporters may lead to negative repercussions on trade and the economy, which is something we must strive to avoid.

In light of the aforementioned issues, we earnestly request the Secretary SIFC, Federal Maritime Secretary to intervene and address the concerns of importers and exporters by rationalizing the charges at KGTL. This step is crucial to prevent financial losses to the importers and exporters and to maintain a conducive environment for trade activities.

Thank you for your attention to this matter and look forward to a prompt and positive resolution.

My Profound Regards


KARIM AZIZ MALIK
Chairman,
FPCCI Capital Office Islamabad

cc: Chairman, Karachi Port Trust, Karachi.
Board Members – Trustees, Karachi Port Trust.
Respected Members, FPCCI.
Deputy Conservator, Karachi Port Trust, Karachi

Encl: Letter ref D/G/F-34F/2024/331 dated 08th February, 2024 from Capt. Abrar Arif,

FPCCI Capital Office Islamabad

FPCCI Capital House, Aiwan-e-Sanat-o-Tijarat Road, G-8/1, Islamabad-44000, Pakistan.
Tel: +92-51-2251891,92-93 E-mai: karim.malik@fpcci.org.pk, islamabad.capital@fpcci.org.pk URL: www.fpcci.org.pk

FPCCI Head Office, Karachi
Federation House, Tariq Sayeed
Complex, Main Clifton Block-5,
Abdullah Shah Ghazi Road,
Karachi-75600, Pakistan
Tel: (92-21) 35873691-94
Fax: (92-21) 35874332
E-mail: info@fpcci.org.pk

FPCCI Regional Office, Lahore
22 - West Canal Bank Road
Near Tech Society, Lahore.
Tel: 042-35293411-12
E-mail: lahore.regional@fpcci.org.pk

FPCCI Regional Office, Peshawar
Office No-4, 2nd Floor,
Al-Fatah Medicine Center, New Krishanpura,
Near Bank of Punjab, Main G-T Road,
Peshawar, Khyber Pakhtunkhwa, Pakistan.
Tel: (92-91) 9225362-63-64
E-mail: peshawar.regional@fpcci.org.pk

FPCCI Regional Office, Quetta
Office No.7, 2nd Floor,
QCCI Building, Zarghoon Road,
Quetta, Cantt, Pakistan.
Tel: (081) 2826472
E-mail: quetta.regional@fpcci.org.pk

FPCCI Regional Office, Gwadar
Business Centre, Gwadar Free Zone,
Pak-China Friendship Road, Gwadar
Tel: (92-86) 4211112
E-mail: gwadar.regional@fpcci.org.pk

KARACHI PORT TRUST
(PORT DEPARTMENT)

NO. DIT/IF 345/224/331
Dated: 08 FEB 2024

From:
Capt. Abrar Arif,
Deputy Conservator

PSAA, Karachi. Fax No. (92-21) 32851528, 32850185 mail@psaa.org.pk
APSA, Karachi. Fax No. (92-21) 32414492 apsa@mrgc.com.pk
PNSC, Karachi. Fax No. (92-21) 99203974 & 35683892 portcaptain@pnsc.com.pk

THROUGH: GENERAL MANAGER (O)

SUBJECT: REGISTRATION OF SHIPS WITH KGTL.

With reference to subject, all Shipping Agencies are requested to get all ships, carrying Bulk / Break Bulk Cargoes excluding Petroleum / Gas / Naval and Container Ships, register arrivals with KGTL in addition to normal registration with Dock Master's office.

Please, note from berths No.1 to 5, 10 to 17 & 18 to 25 will be allocated in consultation with KGTL.

The e-mail and contact number of assigned person at KGTL is given below.

sarfraz.shamim@kgtl.com.pk
Cell # 0300-0226886

All agencies may contact KGTL on given email address / contact number with regard to berthing of Bulk / Break Bulk Cargo Ships.

06/02/24
DEPUTY CONSERVATOR
ofc

Copy to :

Secretary KPT for kind information of Chairman, please.
KGTL

1ST Floor KPT Head Office Building, Eduljee Dinshaw Road, Karachi.74000.
Phone # 99214321 - 99214530-40. Ext - 2242. Fax # 99214329 - 99214330.
Web: www.kpt.gov.pk E-mail: dy.conservator@kptmail.com