



भारत सरकार/ GOVERNMENT OF INDIA
पोत परिवहन मंत्रालय / MINISTRY OF SHIPPING
नौवहन महानिदेशालय, मुंबई
DIRECTORATE GENERAL OF SHIPPING, MUMBAI

F.No. MTO/Review Schedule-II (1)/ 2019

Dated 01.05.2020

Minutes of Meeting

A meeting through video conference was convened on 01.05.2020 under the chairmanship of the Director General of Shipping, GoI to review implementation of DGS order 11 of 2020 dated 22.04.2020 in which more than 50 representatives from Container Shipping Line Association (CSLA), Maritime Association of Nationwide Shipping Agencies (MANSA), Association of Multimodal Transport Operators of India (AMTOI), Container Freight Stations Association of India (CFSAI) and Federation of Ship Agents Association of India (FEDSAI) attended.

2. The Director General informed that the DGS has issued advisories through DGS order 7 of 2020 dated 29.03.2020, 8 of 2020 dated 31.03.2020 and 11 of 2020 dated 22.04.2020 through which the shipping lines and shippers have been advised not to charge detention or other penal charges from the trade due to their inability to lift containers and other cargo from the ports. CBIC has separately directed the ICDs/CFSSs to compulsorily follow these guidelines.

3. He stated that the advisory for the first lock down period was well implemented by the shipping lines, with a few exceptions. However, the advisory for the second lock down period has been flouted by many shipping lines. He informed that the matter was reviewed in the government and the general feedback was that the lines are charging Detention Charges and Bill of Lading Release Charges in contravention of DGS advisory. DGS is also of the same view judging from the number of grievances received from the EXIM trade. He also indicated that some ports have started taking coercive action against parties who are seen to be deliberately violating the spirit of the DGS guidelines. It was important that the DGS advisories are followed in letter and spirit by everyone.

4. He mentioned that decision to issue the advisory was issued considering the extreme hardship being suffered by the trade due to closure of factories, non-availability of the labour and problem in the transportation. In order to tide over the situation and to bring out an

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amicable solution, the government has decided to extend some relief to the EXIM trade so that the import cost does not become prohibitive resulting in abandonment of cargo. He clarified that the stakeholders have been advised to extend benefits for which they do not have to incur any extra cost. It was also informed that the ports have been asked to provide extra space without any cost. He also indicated that levying extra charges is neither in the interest of ports or the lines as increase in import cost will make the consignment unviable resulting in large scale abandonment and clogging even after lifting of the lockdown. He reiterated therefore, that the DGS order should be implemented in toto and not in bits and pieces.

5. After his introduction the representatives from the trade explained their problems in detail.

6. Capt. Deepak Tiwari, Chairman, CSLA informed that there is huge drop in the export, ships are going empty from India, they are working much below their capacities and around 46 idle sailing happened. This has led to the increased costs and less employment. The directions to the ports to give relief in land related charges may not be useful for them. It has become difficult to them to have the containers for the export due to non-evacuation of the import containers. During the first lockdown, around 10 % of the import happened and in second lockdown around 50 % of the imports are happening. The exports are getting started now onwards. But due to clogging of the import containers, the availability of the containers for the export has become difficult. In spite of all these odd, the shipping lines are still working with much more flexibility and they have streamlined various processes. Their intentions are to follow the orders of the government.

7. Shri Amit Wason, President MANSA mentioned that ports are getting full and there is not enough space left for storing the sensitive cargo. The sensitive cargo cannot be kept for long time as the importers are not clearing their cargo.

8. Shri Shantanu Bhadkamkar, President, AMTOI welcomed the steps taken by the Government in these difficult times. He mentioned that it is the time for everyone to follow the orders of Government. No doubt that there is some loss to the trade, but this is not the time for counting the profits. He stressed the need for all to take some hair cut in their business, understanding each other's problems and extending mutual co-operation among them.

9. Shri Adarsh Hegde, President CFSAI explained in detail about the steps taken by their members for keeping the business running in the odd time. He stressed that for a businessman it is challenging to pay the salaries to the employees even only 20 to 30 % of their equipment

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is working. He told that the evacuation from the CFSs to interior is happening more than that of ports to the CFSs. He opined that some incentive needed to be provided to the trade for early evacuation of cargo. He expected that everyone requires to stand united in such a situation and maintain the sanctity of the orders of the Government. He informed that a very few importers are having the problem and a large number of them are clearing their cargo by taking the benefits extended by them.

10. Shri Nambiyar from FEDSAI also participated in the meeting. He mentioned that the detention charges are not the additional income for small NVOCC and small agents but the cost. He emphasized that there is requirement that all the port chairman to call meeting of their top 50 importers, listen to them and resolve their problems amicably. He requested for keeping the affordability of the business in mind and maintaining the inventory going on for the small businessmen.

11. Shri Shankar Shinde from BCBA mentioned that there is confusion in the trade about the communication regarding the waiver. He expressed one important issue that the cost of the consignment should not be more than that of the value. In such situation, there will be more consignment remained lying idle and without evacuation. There is need for everyone to work in coordination with each other. He extended BCBA's cooperation to the Government for this good initiative.

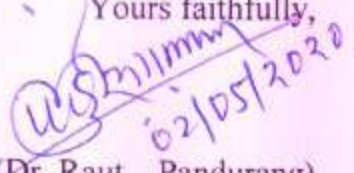
12. All the problems and suggestions have been listened by the DG(S). He stressed the need for starting the economic process and the keenness of the government to evacuate the cargo from the ports. He however, again reiterated that the genuine hardships being faced by the EXIM trade because of the complete shutdown of manufacturing should not be aggravated because of irresponsible behavior of some lines/CFSs. He mentioned that the support of the stakeholders was good enough during the first lockdown and the same was expected to be extended for the second one. But the same has not happened as a large number of complaints are being received.

13. The Director General Shipping finally concluded the meeting with the following takeaways;

- a) The DGS orders number 7, 8 and 11 will be implemented uniformly by everyone so that the adverse impact of lack down on EXIM trade is minimized;
- b) The stakeholders will suggest strategy to evacuate cargo from the Ports and the CFSs at the earliest so that normalcy returns on the ports after 3rd May.

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- c) The suggestions to evacuate the cargo form the port may also be shared with the other Ministries like Commerce and Finance, if need arises. He asked the participants to suggest industry wide evacuation strategy.
- d) Pick and choose policy for extending the benefits to the trade is to be discouraged as it encourages biases. He stressed that such pick and choose approach while extending the benefits is required to be avoided by the stakeholders.
14. The meeting ended with vote of thanks to the chairman.

Yours faithfully,

 (Dr. Raut Pandurang)
 Deputy Director General of Shipping

Copy to all participants as per Annexure A



List of main participants for the video conference at 12 Noon on 01/05/2020 about DGS Order 11 of 2020 dated 22/04/2020 and related issues.

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11	Capt. J. S. Gill	Member CSLA	98309 50788	
12	Mr. Stuart Hanmer	Member CSLA	91677 33084	
13	Mr. Sanjay Gujral	Member CSLA	98339 14852	
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28	Shri Shankar Shinde	BCBA	93214731019	
29	Shri Dushyant	BCBA	820204744	
30	Shri Nambiyar	FEDSAI		