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REF: APSA/SHIPPING/COVID-19/001

Dated: 26th March 2020

Mr. Syed Ali Haider Zaidi Federal Minister of Maritime Affairs, Ministry of Maritime Affairs Islamabad.

SUBJECT: <u>APPEAL FOR SUPPORT AND RELIEF AGAINST ISSUES FACED BY SHIPPING LINES</u>
DUE TO THE COVID-19 PANDEMIC.

Dear Sir,

Hope you find this in good health.

The shipping and logistics fraternity is employing over 20,000 people directly and indirectly. Contributing billions of rupees in in terms of taxes as revenue to the National Exchequer. Moreover have invested millions of dollars in the national economy. During these tough times of national crisis, the Government should provide this industry with a relief package, considering the entire trade of the nation is handled through private operators.

Hence on behalf of members following are the requests we put forward:

- 1. INCOME TAX RELIEF PACKAGE OF 100 BILLION TO SUPPORT THE SHIPPING LINES;
- 2. LOWER CORPORATE TAX RATES TO SIGNAL SUPPORT; AND
- 3. DETENTION CHARGES NOT TO BE WAIVED OFF, EXCEPT FOR MEDICAL EQUIPMENT AND RELEVENT PRODUCTS IMPORTED TO CURTAIL THE SPREAD OF COVID-19.

In view of the above there are requests floating in your offices for waiver of detention charges by business i.e. the importers and exporters. We hereby submit that these charges are acting as survival capital for shipping lines as heavy losses are been borne and shall continue to be borne, by the shipping lines due to equipment being stuck at port premises increasing the cost of continuing to operate. Moreover blank sailing and containers which are stuck at ports due to delays by customers in clearing. The requests hence made are crucial for keeping afloat in these tough economic crisis faced by shipping lines.

Shipping lines working with skeletal staff to help keep the supply chain running and also to ensure important exports and imports of the country are facilitated. At a time when volume is dropping and the demand supply dynamics are so depressed, we are looking at significant financial impact on our businesses and this should be considered before any decision on providing relief to any sector at the detriment of another is taken.





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The above requires your prompt attention and action, for the reason that businesses which are already burdensome due to severe economic crisis will face trillions in losses if the above requests are not attended, which will lead to closure of businesses, unemployment, shortfall in tax collection and government's revenue burdening the existing difficult economic climate of our country.

We pray and stand together with the nation and the government in these hard times of pandemic and expect your kind assistance and support in these crisis.

Best Regards,

Abdullah Farrukh Chairman - APSA

## CC:

- 1. The Honourable Prime Minister of Pakistan, Prime Minister Secretariat, Islamabad.
- 2. The Federal Minister of Finance, Ministry of Finance, Islamabad.
- 3. The Federal Minister of Commerce, Ministry of Commerce, Islamabad.
- 4. Chairman FBR, FBR House, Islamabad.
- 5. President, Federation of Pakistan Chambers of Commerce and Industry (FPCCI), Karachi.