

# Operators not passing on port relief to exporters: Regulator

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A month after the government asked ports to provide relief to exporters on logistics-related costs, India's maritime regulator has found that concessions granted since the West Asia crisis have not uniformly reached exporters and asked operators to clearly pass concessional benefits through.

"It has been observed that concessions granted by Port Authorities, particularly relating to detention charges, ground rent, reefer plug-in (connected load), and similar terminal charges, are not being uniformly passed on to the exporters," the Directorate General of Shipping (DG Shipping) said in a circular dated Wednesday.

It added that terminal operators are charging the Non-Vessel Operating Common Carriers (NVOCC) and are pas-

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sing on the concessional benefits on a reimbursement basis. "This circuitous process delays the concession reaching the exporters," it said.

In its sternly worded advisory, the regulator ordered that the practice of routing such adjustments through procedural reimbursements or post-facto claims be discontinued. Port authorities will be responsible for and monitor compliance at the terminal level. All concessions approved by port authorities shall be directly and transparently passed on to

stakeholders, including freight forwarders and NVOCCs, who in turn shall reflect the same to exporters, it said.

In March, the regulator had issued an advisory asking shipping lines to refrain from non-transparent and predatory pricing, as shipping costs skyrocketed. This was primarily on account of War Risk Premiums on marine insurance rising by as much as 1,000 per cent in the last month. Now, the regulator has moved from advising to enforcement for the first time, warning action if evidence of undue charges is found.

"Shipping lines are to ensure that any revision in War Risk Premium is transparently and proportionately reflected in freight charges. Any deviation or non-alignment between actual risk premiums and freight components shall be subject to review and action thereof," DG Shipping's circular said.