

Shipping costs, container crunch figure in talks with Piyush Goyal

GEO-POLITICAL ISSUES. Commerce Minister took stock of situation amid Red Sea crisis and ongoing wars

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Commerce & Industry Minister Piyush Goyal met stakeholders from the shipping and cargo sectors, including senior government officials and representatives from some companies, to resolve problems such as high shipping costs, container shortage and congestion, being faced by exporters and importers.

The Container Corporation of India has decided to allow the storage of empty containers in the yard at the Jawaharlal Nehru Port Authority (JNPA) free of cost, for 90 days, and has significantly slashed the loading and handling charges, Goyal announced after the meeting.

REVISED RATES

Charges being levied beyond 90 days have been halved from ₹3,000 to ₹1,500 and storage and handling rates for containers will be reduced from ₹9,000 to ₹2,000 (for a 40 ft container) and



TAKING ACTION. Piyush Goyal announced that the Container Corporation of India had cut loading and handling charges

from ₹6,000 to ₹1,000 (for a 20 ft container), announced Railway Board Chairman and CEO Satish Kumar.

DECISIONS REACHED

"Every government department has contributed collectively to come up with fresh ideas to resolve the problems. I am confident that it will significantly bring down shipping costs, improve availability of empty shipping containers, aid faster evacuation of export consignments, and reduce congestion and time taken at

ports," Goyal told reporters.

Key decisions taken in the inter-ministerial meeting include, setting up a multidisciplinary help desk to support exporters, allowing empty containers to be stored in the Jawaharlal Nehru Port Authority (JNPA) yard, reducing handling and loading costs of empty containers by CONCOR (Container Corporation of India, implementing simultaneous container scanning at JNPA, and minimising traffic delays around the area.

The government will monitor the situation with the next review scheduled in October end. The deliberations took stock of the emerging geopolitical and economic scenario. "In the current circumstances, with the Red Sea crisis due to Houthi operations, two wars and its impact on international trade, we thought it would be a good idea to engage with a multidisciplinary team," Goyal said.

CONTAINER CAPACITIES

The Shipping Corporation of India (SCI) announced that it was chartering container ships to increase container capacities. It will be enhanced by 9,000 twenty-foot equivalent unit (TEUs). "The SCI will also buy five container ships to enhance cargo-handling capacity. The shipping lines assured that all charges like container transportation and lift on-lift off at yards would be embedded in the delivery order given to shippers," per an official release. Port capacities have already been enhanced

by 2.3 million TEUs, said TK Ramachandran, Secretary, Ministry of Ports, Shipping and Waterways Shipping.

To stop illegal profiteering arising out of shortage and delay, private container yards will be mandated to register with GST authorities and that it would not accept any charges in cash.

Secretary, Ministry of Ports, Shipping and Waterways Shipping, TK Ramachandran announced that Chairman of JNPT, Umesh Sharad Wagh, has assured that congestion and bottlenecks will be eliminated. To enhance export-related processes, traffic delays near & around JNPA will be minimised and simultaneous container scanning at JNPA will be implemented for faster clearances and reduced turnaround time.

Revenue Secretary Sanjay Malhotra said that the Central Board of Indirect Taxes and Customs (CBIC) will ensure that custom clearances at the ports will be expedited by simultaneously screening two 20-foot containers.