

Transporters' strike continues

Over 10,000 export containers stuck

By Javed Mirza

KARACHI: The strike called by the United Goods Transporters Alliance has crippled exports as over 10,000 containers are stuck that might result in cancellation of orders worth millions of dollars and cause heavy losses to exporters and the economy.

The transporters alliance went on strike from December 5, due to harassment by the strong bhatta mafia and rampant kidnapping of drivers, which is to be continued until these problems are resolved satisfactorily.

The Karachi Chamber of Commerce and Industry (KCCI) also sent an SOS to the federal interior minister to solve the issue immediately.

Haroon Agar, president of KCCI, said that all the ports in Karachi had come to a standstill because of the strike.

"All the ports are closed and no vehicle can enter or exit the port premises, which may cause colossal financial losses to exporters due to delay in shipments. Likewise, the importers are also facing huge losses in form of detention charges as import deliveries are stuck up at ports and cannot reach the warehouses and markets. This might lead to shortage of commodities,

No vehicle can enter or exit the port premises, which may cause colossal financial losses

—KCCI president

medicines, FMCGs, household items and food products in Karachi and across Pakistan," Agar noted.

Javed Bilwani, central chairman of Pakistan Hosiery Manufacturers Association (PHMA), said that the sudden announcement of the strike had crippled their exports, which is the life-line and backbone of the economy. "A large number of exporters had shipments ready for the last loading days and many export consignments due to be shipped as per the deadline given by the foreign buyers could not reach the port due to the strike," Bilwani said.

As the consignments meant for export would not be able to reach the ports well in time resulting in the vessel sailing away without the consignment, which would ultimately have to be sent by air incurring heavy airfreight costs.

In a letter to the Ministry of Textile Industry, PHMA said that the country's exports had been held up as over 10,000 containers were stuck up till Monday.

"If there is no end to this drastic strike of the transporters alliance, not only is there going to be chaos but it will lead to severe problems," the letter added.

On average, a vessel takes approximately 600 containers of 40 feet, and if the vessels leave the port without taking consignments, there would be a huge backlog that could prove disastrous.

The average freight per 40 feet container is \$3500, whereas if these goods are sent by air, the freight would be around \$25,000 to \$30,000.

Bilwani said that such a container contained textile products worth \$100,000. The net profit on the same was around \$5000 to \$7000 and if the exporters had to airfreight these goods, they would incur a net loss of around \$20,000.



Exporters fail to meet deadlines

By Parvaiz Ishfaq Rana

KARACHI, Dec 10: Export consignments worth millions of dollars, laden in over 15,000 containers, failed to meet their shipping schedule as goods carriers strikes entered the ninth day on Monday, industry leaders said.

Similarly, around 5,000 containers, loaded with import goods, including raw material needed by the industry, are also stranded at ports because there was no inward or outward movement of the cargo.

KPT's chief spokesman Mohammad Ali Siddiqui admitted that there was no movement of cargo from the port area for the last six days, but said "there is still no congestion at the port."

He further stated that on the instructions of KPT chairman a survey had been carried out at the port area and the PICT and KICT container terminals and it was concluded that the situation was still comfortable within the port.

The situation worsened after local goods carriers, who normally haulage cargo to and from port area to city's business and industrial establishments, went on a strike which entered the fifth day.

Ghulam Hyder Chandio of Port Qasim Authority said that cargo handling inside the port area was going on normally, but due to non-availability of goods carriers, export cargo is not finding its way into port area to meet the shipping schedules.

M Yasin Siddik, chairman, All-Pakistan Textile Mills Association (Sindh-Balochistan), said that goods carriers strike had completely halted exports and imports and had also caused damage to industrial activity throughout the country.

He estimated that in textile exports alone there was a loss of around Rs3.6 billion per day.

The Aptma chief further stated that goods carriers strike has resulted in a colossal loss of \$600 million in exports during the last nine days.

The goods carriers strike has not only hurt export shipment but caused a huge loss to importers who have to pay heavy demurrage for not timely clearing their consignments from port areas.

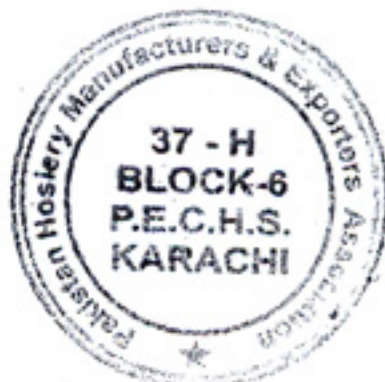
Yasin Siddik said due to non-availability of raw material, activity in many industrial units across the country had come to a halt and this would have far-reaching consequences in the coming days when exporters would not be able to meet their foreign contracts.

M Jawed Bilwani, chairman, Pakistan Hosiery Manufacturers Association (PHMA), drew the attention of the government towards poor law and order situation in the city which forced transporters to go on a strike.

Belated joining of the strike by the Karachi Goods Carriers, along with United

Goods Transporters Alliance, which operates across the country, is an evidence that poor law and order situation within the city area

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Exporters fail

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has forced them to withdraw their vehicles.

He further stated that during routine haulage of goods within the city area, many vehicles loaded with goods worth millions of rupees, have either been hijacked and drivers kidnapped.

The PHMA chief even approached the Federal Minister for Textile Industry Makhdoom Shahabuddin and urged him to use his good offices in bringing an end to transporters' strike.

Mr Bilwani drew the attention of the minister towards losses being suffered by exporters and said that around 15,000 containers are presently stuck up at industri-

al establishments throughout the country.

Similarly, he said that about 5,000 boxes loaded with import cargo, including raw material, are lying within port areas and could not be moved out due to transporters strike.

He feared that if situation goes un-attended, it would cause loss to country's export trade because sea freight charges per 40 feet container to North America come to around \$3500. Against this, if a container is airlifted, it would cost \$25,000 to \$30,000 per box.

On average, he said, textile goods loaded in a container have a value of around \$100,000 and profit margin of an exporter on these goods

comes to around \$5,000 to \$7,000. However, if an exporter has to airlift cargo, it would not only eat away his entire profit, but he would also have to pay extra amount of around \$20,000 to \$25,000 from his pocket.

Zain Bashir, chairman, Pakistan Bedwear Exporters Association (PBEA), said that entire export and import activities and industrial manufacturing have come to a standstill, but no one seems to be interested to resolve this issue.

Additionally, he said agriculture sector is also going to suffer badly because supply of fertilizer, like DAP and urea for growers across the country, has stopped due to transport strike.

Goods transporters' strike

Textile exporters fear cancellation of huge foreign orders

TAHIR AMIN
ISLAMABAD: Textile exporters fear cancellation of huge foreign orders due to the United Goods Transporters Alliance (UGTA) strike, which would not only result in huge losses to the exporters, but also to the national exchequer.

About 10,000 containers have been held up following the UGTA's strike, announced on December 5, 2012 against the ongoing harassment by the bhattha mafia and rampant kidnapping of drivers. This was revealed in a letter written by Javed Bilwani Chairman Pakistan Hosiery Manufacturers and Exporters Association (PHMA), to Makhdoom Shahabuddin Federal

Minister for Textile Industry.

PHMA approached the Minister for remedial measures to ensure the early resolution of the UGTA's issues so that the strike is immediately called off. If the strike prolongs further, this would lead to great loss to the exporters, fearing cancellation of vital orders maintained the latter.

The strike has crippled exports which are the lifeline and backbone of the country's economy. A large number of exporters had shipments ready for the last loading day (Thursday and Friday), besides many export consignments due to be shipped as per the deadline given by the foreign buyers, could not reach the ports in time, resulting in the vessel

sailing away without the consignment. This would ultimately have to be sent by Air incurring heavy airfreight costs. It was further maintained that a vessel takes approximately 400 containers of 40 feet, while some take 800 containers i.e. three vessels could take 2000 containers. Freight per 40 feet container is approximately \$3500, while if the goods are sent by air, the airfreight would be around \$25000 to \$30000. The textile goods in a container are worth approximately \$100,000, while the net profit on the same to the exporters is \$5000 to \$7000. If an exporter airfreights these goods, he would not only lose all his profit, but he will have to pay \$20000 to \$25000 additional.

