

Dear Shri Krishna,

Greetings from FICCI !

The world is facing a major pandemic in the form of COVID-19. This has led to severe disruptions affecting the economy and impacting people. Several steps have been taken by our Government to limit the spread of COVID-19. While these are critically important, we are also seeing the impact of some of these measures being felt across industries in India. In view of the same, FICCI has conducted a Survey on the impact of COVID-19 pandemic to understand this significant issue and its impact on the ports and shipping sector. Appended are a few suggestions that could help in improving the business situation.

- Extending all the Port Concessions by 1 year (i.e. from 30 years to 31 years).
- Waiver of payment of Revenue Share, Royalty, Land Lease for a period of 90 days i.e. March 20 to May 20.
- Request all the Major Port Trusts to allocate suitable land adjacent to the existing terminals for storage of empties (free of cost) for a period of 60-90 days. At this moment there is a huge imbalance in the availability of empties and enough empty inventories are required to support our Exporters.
- Request all the Major Ports to increase the discount for vessel related charges (VRC) by additional 20% over and above the prevailing discount.
- Many States have restricted the movement of cargo. This is a force majeure situation with an impossibility to clear cargo or take delivery. Hence, the relevant authorities should direct the shipping lines and CFS not to charge detention / demurrage.
- Owing to the uncertainty in EXIM trade, increased focus could be given to coastal trade movement. BOT Operators could be incentivized in the form of lower revenue share, free additional land, cheaper power etc. It requires a National Policy on Coastal Container Movement in a time bound manner
- Reduction of shore logistics cost including port handling expenses which has got a direct link towards THC - Terminal handling charges and berthing, port wharfage or similar expenses for the shipping line, as it may have a direct impact on cost savings for the industry.

- All outstanding projects that are awaited tendering may be done so at the earliest to ensure work in the hands of the shipyard for their optional capacity utilization.
- All outstanding payments with the Government are released actively to ensure some liquidity to tide over the crisis.

We hope you will kindly consider immediate actions on the proposed recommendations for the benefit of the industry.

Thanks so much and with kind regards,

Dilip Chenoy

Dilip Chenoy  
Secretary General

**Federation of Indian Chambers of Commerce and Industry**

*Industry's Voice for Policy Change*

Federation House, 1, Tansen Marg, New Delhi 110001, INDIA

**T:** +91-11- 23357364      **F:** +91-11- 23329369

**E:** [dilip.chenoy@ficci.com](mailto:dilip.chenoy@ficci.com)    **Web:** [www.ficci.in](http://www.ficci.in)

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