GAME CHANGER FOR THE IMPORTERS IN PAKISTAN

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ABSTRACT
The study aimed to explore challenges faced by the Importers of Pakistan regarding demurrages, which turn the profit into a loss as we know that days are required to provide a Bill of Lading (BoL)for the clearance. Pakistan has no law that can waive or discount the demurrages faced by the importers due to the delay of BoL from the exporter. The shipping company charged $70 per day per container in Pakistan. The empirical data was collected from Pakistan's importers. The study culminates with a discussion of the study's implications by emphasizing the need for the current system to consider the distinctive needs and challenges of importers to provide the necessary support and fulfill the gap in the growth of trading for perishable items. The present study may guide the discouragement of importers due to hefty charges of Demurrages. This survey concluded the finding material that connects with the importers of Pakistan and indicates the long-run link between importer, demurrage, and Bill of Lading. The profitability of the importer is turning into a loss; demurrage is the main key of this survey.

KEYWORDS
Demurrages, Importers, Bill of Lading, Economic growth, Financial Losses, Pakistan's law, Trade-led-growth or growth-led-trade, discounted or wave, challenges.

INTRODUCTION

At an early age, the B/L Bill of lading is the most important document among the traders to caring goods by sea in facilitating international sales business

(Schmitz, 2011). However, the Bill of lading is mature. They compile more information to fulfill all the necessary facts and figures as a need (Fazi & Roodbergen, 2018; Schmitz, 2011). The documents which had previously been used for the quantity of the goods were later altered to cohere the reports of the trading item's condition and also became an implement to safekeeping for the shipment's owner from liability in case of damage to cargo in their B/L (Beškovnik, 2016; Fazi & Roodbergen, 2018; Haniff, 1976; Notteboom, 1997). Somehow, the Bill of lading plays a central role in international trading (Schmitz, 2011).

Characteristics of B/L

The Bill of lading is of utmost importance in the import business. A B/L is generally considered proof of the goods received by the shipping line by itself or on behalf of the seller, who is mainly an exporter. The one who is transporting the goods (Fazi & Roodbergen, 2018; Schmitz,2011). B/L serves as the document to make the business more transparent by clearly expressing the specifications of the goods by the time it was received by the shipping lines. For example, the Bl document normally mentions the vessel name, B/L number (specified for the particular consignment) as well as the quantity and type of product on the vessel. The bl number serves the purpose of tracking which helps the importer to know the estimated time of arrival for his consignment. B/L document is surrendered at the time of receiving by the consignee at the time of receiving the goods at his port.

Evidence of Delivery

By the time international trade began, it is high disputes on the types of goods delivered as well (Schmitz, 2011; Shabbir, n.d.). To minimize the risk and conflict, there's a necessity to provide documentation of delivery (that would be verifying) that it was evident in the cases where neither one of the traders nor any of his workers planned to go with the goods (Notteboom, 1997; Schmitz,2011).

Memorandum of the Terms and Conditions

With time and experience, shipping lines started taking international trade more seriously and, by all means, tried their best to unburden themselves by clearly penning down the terms and conditions by the sea travel of goods and in what condition either shipper, consignee, or the shipping line itself would be liable (Schmitz, 2011; Talley, n.d.; Wang & Meng, 2017).

Document of title to goods

In the 18th century, the BL document found its other characteristic called "Negotiable Bl," which allows the consignee to transfer the possession of goods to a third party before the arrival of goods to the final destination by endorsement (Schmitz, 2011). The expression of "endorsement" is whatever is written or engraved on the deed of commercial paper (Department of Maritime Management Technology Federal University of Technology Owerri et al., 2017; Schmitz, 2011)

THE CHARGES OF DETENTION & DEMURRAGE FREE TIME

Detention for the Import

1. **Detention**
   The equipment downtime shall be commenced one civil day after complete discharge from the facilities carriers up to the container return to the carrier party.

2. **Tariff Rate**
   The tariff rate is mentioned below, which has been taken from the website Orient Overseas Container Line

Tariff from 1st March 2021

Cargo Nature	*20ft containers 1 to 5*	*20ft containers after 5 days*	*40ft containers 1 to 5*	*40ft containers after 5 days*
Dry Container	40 USD	70 USD	70 USD	120 USD
Special Equipment	80 USD	100 USD	110 USD	150 USD
Reefer Container	70 USD	90 USD	-	-

3. **Demurrage Charges for the Import**
   The transporters have no concern with any charges as same as the deal with customers.

Demurrage

The charges can rise when the full container is not moved out from the terminal for unpacking within the free time allowed, which the shipping line offers.

CHARGES ARE UNDER

The typical demurrage charges are mentioned here with the help of Orient Overseas Container Line, in which they have clearly shown that for the first ten days, which is after free time, they charge Rs. 504.00 for 20ft container and Rs. 1,008.00 for 40 ft. If it's not clear within ten days, the amount will be Rs for the next ten days. 735.00 for 20ft and Rs. 1,470.00 for 40ft, and it goes beyond till the consignment not clear. In one of their tables, they mention that if a consignment is not clear within 20 days, the charges for the next 10 days will be Rs987.00 for 20ft and Rs. 1974.00 for 40ft and subsequently till clearness the amount will be Rs.1, 491.00 for 20ft and Rs. 2982.00 for 40ft.

Typical Plug-in Charges

The plug-in charges are in USD for all import shipments.

Export Detention

1. **Detention**
   The equipment-free time will be one day from the day when the transporter removes all his equipment.

Tariff from 1st March 2021

CARGO NATURE/EQUIPMENT TYPE	20FT	40FT
DRY CONTAINER	20 USD	40 USD
SPECIAL EQUIPMENT	40 USD	60 USD
REEFER EQUIPMENT	40 USD	-
NON-OPERATING REEFER CONTAINER	40 USD	-

2. **Comment**
   The detention free time is calculated from the first day of the civil calendar.

3. **Demurrage Charges for the Export**
   The transporters were not concerned with any charges and the same as a straight deal by the customer with port.

Total Port Container Throughput per Annum
The customer has implemented a new system requiring the submission of data. The total Outbound Container volume per annum of Orient Overseas Container Line Limited is as follows

LOCATION	2012	2013	2014	2015	2016	2017
KARACHI	33,970	35,744	37,739	39,810	38,192	37,440

The Bill in the form of a Guarantee
Besides being the document to own the entitlement of goods and transferring the goods to a third party, BL also helps keep the trade secure where a buyer is concerned about the payment, and the seller is more at risk of receiving the said goods. BL helps in mitigating this risk and keeping the interest of both shipper and consignee secure.

CONCLUSION
The Bill of lading shows that it favored the party. The commercial and industrial importers have asked the Prime Minister of Pakistan to step forward and take strict action against those companies that contradict the government's advice. They are refusing the clear direction of various state agencies like the Federal Board of Revenue (FBR) and the Engineering Development Board (EDB) to moderate the detention and demurrage charges during the pandemic. Mr. Kashif Anwer, president of Friends of Business and Economic Reforms (FBER), talks to the delegation of importers and states that they have requested the premier to ask the Ministry of Maritime Affairs (MMA). To urge all the shipping terminals and shipping lines not to charge the detention & detention till this pandemic is over, they further solicit for the reimbursements of all the charges in the form of demurrage and detention they have paid to clear their container load during lockdown duration. When all over the world are facing such lockdown issues and their economy is highly disturbed, they are providing to facilitate their department whereas the terminal is not cooperating with the authorities. Their target is to generate profit and revenue.

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