

Liquid bulk trade hamstrung by cascading taxes



AILBIEA

AILBIEA chief urges members to unite & be part of 'revival' movement

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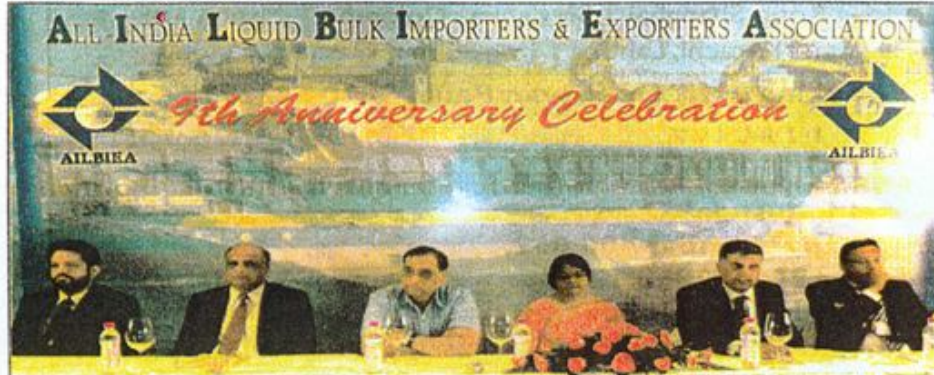
MUMBAI, Jan. 24

THE plethora of ever-increasing taxes is weighing down heavily on the liquid bulk industry, emphasised

Mr Jayant Lapsia, President of the All-India Liquid Bulk Importers & Exporters Association (AILBIEA).

In an impassioned address at the 9th anniversary cel-

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At AILBIEA's 9th anniversary function are (seated from left) Mr Jayant Lapsia, Mr Rahul Asthana, Mr Ahmad Hussain, Ms Shobha Chari, Mr R. S. Sidhu and Mr Anish Chandaria

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celebrations of AILBIEA last week, he called upon the Union and state governments to have a more streamlined tax policy and keep their promise of scrapping old taxes like education cess, special additional duty, octroi, etc.

He was, however, sceptical of octroi being done away with—something which had been assured for years—even if the all-subsuming goods and services tax (GST) came into effect as planned on April 1. The continuation of octroi could lead to a flight of the industry from Mumbai, he cautioned.

Mr Lapsia also exhorted the liquid bulk trade to put its house in order before blaming the systems for its woes and hardships. He called upon it to make proper representation of its concerns to the relevant authorities and, importantly, desist from boosting individual profits by resorting to unethical cost-cutting measures and downsizing policies, which would only bring disaster to the trade.

The collection of damaged container charges (on flexi tanks, tank containers) by service providers was an issue of serious concern for the trade, he stressed.

Mr Lapsia also emphasised the need for the industry to come together to solve its problems, and be part of a significant “revival” movement of ethical values, norms and equality.

He praised the new facilitative



Mr Lapsia and Mr Asthana addressing the event

role being played by Customs and the efforts put in by the ports to smoothen things for the trade, and announced that AILBIEA would be felicitating officials of Customs and ports at its 10th anniversary celebrations next year.

Mr Rahul Asthana, Chairman of Mumbai Port Trust (MbPT), Ms Shobha Chari, Chief Commissioner of Customs, Mumbai, Mr Ahmad Hussain, DG (Valuation), Customs, Mr R. S. Sidhu, Chief Commissioner of Central Excise, and Mr Anish Chandaria, Managing Director and CEO of Aegis Logistics, were among the key officials who graced the event, besides a large cross-section of the liquid bulk trade and other invitees.

Describing liquid bulk traffic as the mainstay (70 per cent) of Mumbai Port, Mr Asthana highlighted MbPT's plans of developing a second chemical terminal and fifth oil jetty for the benefit of the liquid bulk trade. Tankage capacity of the second terminal would be bid

out, he said, to facilitate faster development and lower costs. New tankage would also be developed at Jawahar Dweep, he added.

MbPT was also planning a 24-hour shift instead of 12 hours and was working on faster turnaround at Pir Pau, the Chairman pointed out, to better facilitate the trade.

Ms Chari called for close partnership between Customs and the trade so as to strike the right balance between facilitation and enforcement. The trade facilitation committees and monthly Open House of Customs could be availed of by the trade to find solutions to their problems, she said.

The liquid bulk trade should make a good presentation of its needs and concerns to the Finance Ministry, suggested Mr Hussain. He wanted Customs officers to try to keep the costs for the trade to the minimum by targeting less dwell time, etc.

Unlike in the West, economic recovery was well and truly on in India, stressed Mr Chandaria, who expected a sustained boom in the liquid bulk industry, driven by 10-12 per cent annual growth in consumption.

The Aegis Group, which recently took over the LPG operations of Shell in India, including a terminal at Port Pipavav, plans to expand operations to all ports in the country, which would encompass imports, distribution as well as developing port infrastructure.