TARIFF AUTHORITY FOR MAJOR PORTS

NOTIFICATION

No.TAMP/39/2000-CHPT - In exercise of the powers conferred by Sections 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal of the Chennai Port trust (CHPT) for revision of wharfage on export of motor cars to foreign countries and on coastal movements of cars, as in the Order appended hereto.

Tariff Authority for Major Ports

Case No. TAMP/39/2000-CHPT

The Chennai Port Trust (CHPT) … Applicant

ORDER

( Passed on this 19th day of July 2000 )

This case relates to a proposal received from the Chennai Port Trust (CHPT) about revision of wharfage on export of motor cars to foreign countries and coastal movements.

2.1. The CHPT has stated that the existing rate of wharfage on motor cars and tourist caravan is Rs.2596/- per unit. The CHPT has received a representation from M/s. Hyundai Motor India Limited, Chennai, for reduction in the wharfage rate as their cars are small in size and priced around 5000 US dollars in the global market. Citing that the wharfage rate on cars is levied on ad valorem basis (0.5% on FOB value) in the JNPT, the firm has requested the CHPT to fix the wharfage rate similarly on ad valorem basis.

2.2. M/s. SHAHI Shipping limited have also approached the CHPT with a proposal to commence coastal movement of cars between Chennai and JNPT / Mumbai by pure car carriers. Since there is no separate tariff for coastal movement of cars, they have requested the CHPT to fix a reasonable rate, as prevailing in other ports like the JNPT.

3. In order to encourage export of cargo through the Chennai Port (as in the JNPT), the CHPT has proposed the following wharfage for handling of cars:
(i). The rate of wharfage for export of cars is @ 0.40% of FOB value.

(ii). A concessional tariff for coastal shipment of motor cars on ad valorem basis @ 0.25% which is equivalent to 60% of proposed wharfage rate for export of cars.

(iii). In the case of import of cars and tourist caravans, the present wharfage rate of Rs.2596/- is proposed to be continued.

4.1. In accordance with the procedure prescribed, the proposal was circulated to the following users / representative bodies of the users:

(i). The Shahi Shipping Limited.
(ii). The Hyundai Motor India Limited.
(iii). The Madras Chamber of Commerce and Industry.
(iv). The Hindustan Chamber of Commerce.
(v). The Southern India Chamber of Commerce and Industry.
(vi). The Tamil Chamber of Commerce.
(vii). The Confederation of Indian Industry.
(viii). The ASSOCHAM,
(ix). The Federation of Indian Chamber of Commerce & Industry,
(x). The Chennai Steamer Agents Association,
(xii). The Indian National Shipowners Association.

4.2. The comments received from them are summarised below:-
M/s. HYUNDAI Motor India Limited (HMIL)

(i). We manufacture cars with an export obligation of Rs.4000 crores to be fulfilled in 8 years. We have planned to export passenger cars of 1000 CC and 1500 CC engine capacity (SANTRO and ACCENT) to various countries in the world through the Chennai Port.

(ii). At present we export in small quantities by 40’ containers and its wharfage is as given below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>DETAILS</th>
<th>SANTRO</th>
<th>ACCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Engine capacity</td>
<td>999 CC</td>
<td>1495 CC</td>
</tr>
<tr>
<td>2</td>
<td>Dimension of car (MM)</td>
<td>3495X1495X1590</td>
<td>4250X1670X1370</td>
</tr>
<tr>
<td>3</td>
<td>Volume (CBM)</td>
<td>8.27</td>
<td>9.72</td>
</tr>
<tr>
<td>4</td>
<td>Weight (kgs.)</td>
<td>776</td>
<td>1003</td>
</tr>
<tr>
<td>5</td>
<td>Category</td>
<td>Small size</td>
<td>Mid size</td>
</tr>
<tr>
<td>6</td>
<td>No. of cars / 40’ Cont.</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>Wharfage / 40’ Cont.</td>
<td>Rs.750/-</td>
<td>Rs.750/-</td>
</tr>
<tr>
<td>8</td>
<td>Wharfage / Car</td>
<td>Rs.250/-</td>
<td>Rs.375/-</td>
</tr>
</tbody>
</table>

(iii). We have planned to export cars by Pure Car Carrier (PCC) and Pure Care Truck Carrier (PCTC), from which the cars will be loaded directly on the vessel by driving the same at the rate of 150 cars / hour.

(iv). For loading of car in the vessel, we do not require any port facilities like transfer cranes, KALMAR cranes, etc.; and, hence, no investment needs to be made by the Port.

(v). There is no inclination for the overseas buyers to import cars which are made in India. The only way of attracting them to buy Indian cars is by way of cutting costs at all levels which includes port charges.

(vi). We propose the following wharfage at the CHPT:

(a). For cars (less than 1000 CC capacity) Rs.250/- per car (0.11% of FOB value of Exports)
(b). For cars (above 1000 CC capacity) Rs.375/- per car (0.13% of FOB value of Exports)

(vii). The first export shipment of 760 cars will be made on 15 July 2000 to Algeria.

The Southern Indian Chamber of Commerce and Industry (SICCI)

Chennai is an important centre for the automobile industry. Wharfage and other port charges need to be kept at the
minimum level so as to attract more and more cargo to the port. It will also enable automobile firms to export their products at competitive rates.

**M/s. “K” Steamship Agencies (P) Limited**

We are happy to note that the CHPT is revising its tariffs to promote exports.

**M/s. TATA NYK transport systems limited**

(i). We welcome the proposal of reduction in wharfage for export of cars from Chennai Port as this will help the automobile Industries situated in and around Chennai to improve their export market through the Chennai Port.

(ii). The reduction in wharfage will increase the traffic of car carrier vessels at the Chennai Port and help it in its further expansion as a car terminal for the Car Manufacturing Industries situated in South India.

**M/s. SHAHI Shipping Limited**

(i). If the CHPT charges 0.25% of the cost of the car, it will not be viable to use ship.

(ii). The Road Car Carrier charges are roughly Rs.4500/- to Rs.6000/- per car from Chennai to Mumbai. By Road Car Carrier the transportation is from factory to dealer whereas in the case of movement by ship, there is multiple handling and hence the cost is high.

(iii). Coastal shipping for car carrier is an innovative idea which requires encouragement in order to de-congest our roads and highways.

(iv). The charges shall be as per JNPT which is roughly Rs.400/- per car including wharfage and stevedoring.

(v). FOB price of cars varies between US dollar 5000 to 12000. If the CHPT proposal is accepted, the wharfage will vary from Rs.550/- to Rs.1320/-. To encourage coastal shipping on the Indian cost, the CHPT shall charge a fixed rate as does the JNPT.

**The Chennai Customs House Agents’ Association (CCHAA)**
(i). The CHPT has relied on the existing wharfage at the JNPT. The CHPT could have made a cost analysis to propose wharfage instead of relying on the JNPT tariff.

(ii). The CHPT could have taken the cost of additional facilities to be provided, infrastructure to be created to facilitate / encourage routing of cars (be it coastal or export) through the Port of Chennai and added an acceptable margin to arrive at the wharfage.

(iii). Any proposal involving the Scale of Rates deserves an in depth study by the ports so that it will create confidence to trade that the rates are scientific and have a basis.

(iv). Additional facilities and infrastructure back up may not be required for export of cars, especially when the shipment is by PCC / PCTC.

(v). When no new additional facilities are likely to be created by the CHPT, (other than probably earmarking storage area against recovery of rent) the proposal of 0.40% of FOB value is on the higher side.

(vi). As the export would be in PCC the storage time for cars in port will also be minimum.

(vii). The following suggestions are given relating to wharfage on cars at the CHPT:-

(a). Classify cars upto 1000 CC as small and above 1000 CC under other category.

(b). Wharfage shall be on unit basis instead of value. The proposed wharfage is as given below:

**Export / Import**

(i). Cars upto 1000 CC - Rs.250/- per unit.

(ii). Cars above 1000 CC - Rs.350/- per unit.

**Coastal**

(i). Cars upto 1000 CC - Rs.200/- per unit

(ii). Cars above 1000 CC - Rs.300/- per unit

(viii). The container terminal at the CHPT involved substantial investment. Inspite of substantial investment the wharfage on
20’ box is Rs.500/- and 40’ box is Rs.750/-. As far as handling of cars is concerned the CHPT need not make any investment at all; and, hence, the wharfage suggested above.

**Tamil Chamber of Commerce (TCC)**

(i). We support the proposal of the CHPT. This will be helpful to improve the volume of exports through the Chennai Port to compensate the loss of traffic to be incurred by shifting ‘coal handling’ from the Chennai Port to Ennore.

**Society of Indian Automobile Manufacturers (SIAM)**

(i). Presently cars are exported through the CHPT in 40’ containers that can accommodate three small or two mid-size cars. The wharfage of a 40’ container is Rs.750/-. The wharfage, therefore, for small size car is Rs.250/- and mid size car is Rs.375/- which is approximately 0.11% and 0.13% of FOB value of exports respectively.

(ii). Wharfage may be fixed at Rs.250/- for small cars of capacity less than 1000 CC and wharfage may be fixed at Rs.375/- for mid-size cars of capacity less than 1500 CC.

(iii). In case the above fixed rates are not acceptable, it may be fixed at advalorem of FOB value of export, in line with the above rates irrespective of capacity of cars.

(iv). The Chennai Port shall not insist on DLB (Dock Labour Board) levy, CPT Gang Charges, etc., since their services are not required for loading cars in the PCCs which are RORO vessels and cars are driven straight into the vessels. This is similar to JNPT where these charges are not applicable. This will not only lower cost of exports but also reduce time delay and drop in efficiency.

**Indian National Shipowners Association (INSA)**

(i). Wharfage on ad valorem basis is preferable. Further, rate shall be reasonable and not an add on cost for exporters.

(ii). The proposed rate of 0.40% FOB for Exports and 0.25% for coastal (Imports and Exports), is simply translating existing high lumpsum rate to ad valorem. If a 40’ container is charged mere Rs.750/- for carrying three cars, the rate per car loaded in a car carrier shall not exceed 0.25% and for coastal movement it shall be only about 0.12%.
(iii). We need to export and also divert cargo for domestic movement to ships so that congestion on roads is reduced to maximum extent. Therefore, with a view to have the rate as promotional, port shall charge a reduced rate. Once coastal cargo movement is stabilised, then it can be reviewed based on one year’s experience and costing.

**Federation of Indian Export Organisation (FIEO)**

(i). The prevailing wharfage rates on cars at other South East Asian countries and South Korea are very low.

(ii). In order to take up the Chennai Port as a base for export of passenger car, the wharfage needs to be reduced considerably.

(iii). The wharfage rates suggested are,

   (a) Rs.250/- for small cars of capacity of 1000 CC; and,

   (b) Rs.375/- for mid size cars of capacity of 1500 CC.

(iv). In case the above rates are not acceptable, it may be fixed on ad valorem basis @ 0.2% of FOB value irrespective of capacity of cars, like that of the Kandla Port Trust.

(v). Like the JNPT, the Chennai Port also must not insist for DLB levy, CPT gang charges and other mamools, since their services are not required for loading cars in PCC / PCTC.

(vi). No investment is to be made by the CHPT for developing this new business.

5. A joint hearing in this case was held on 7 July 2000 at the CHPT. During the joint hearing the following submissions were made:

**Chennai Port Trust (CHPT)**

(i). We have based our proposal on JNPT model. We have omitted the additional stevedoring charge, which is being levied at the JNPT.

(ii). All ports go by advalorem based charges and not by unit charges. Even Customs do that.

(iii). Concessions on coastal traffic are being emphasised. Government wants even priority berthing to coastal vessels. Why not give concessions on cargo-related charges also to coastal traffic?
(iv). Comparison with ‘containers’ is not tenable.

(v). A ‘notional gang’ of labours of the Dock Labour Board (DLB) booked is likely to be dispensed with soon.

(vi). We wish to discuss with the Labour Unions with reference to DLB levy. We are for doing away with it. Why not wait for consultations with the Unions?

(vii). We will decide the matter relating to ‘notional gang’ booking before the first shipment.

(viii). No rent is proposed for car parking area for the time being. On export consideration, free period of 30 days will be given.

(ix). Traffic may not be enough to warrant consideration of shipments of second hand cars.

(x). The HMIL indicates twenty thousand units of cars per annum. Let them firm up we can then talk about promotional tariff. Now we agree in principle.

(xi). Fixing a promotional tariff for first 1000 or 2000 cars for first one or two years will be discussed further and informed to the TAMP.

(xii). (a). This proposal is only for cars. Item-24 of the existing wharfage schedule covers ‘other vehicles’. But ‘jeeps’ can be included as ‘cars’ in this proposal.

(b). For coastal traffic, jeeps will fall in the same category.

(c). Wharfage for import of jeep will be Rs.2596/- and wharfage for export will be on advalorem basis.

(xiii). (a). Walk-in priority will be like ‘ousting priority’. The HMIL will have to bear the cost.

(b). We are willing to accord such priority because they say that they can not afford any delay.

M/s. HYUNDAI Motor India Limited (HMIL)

(i). Car handling charges are very low in Korean Ports. In CHPT, it is very high. Please reduce it. We will increase our traffic.
We do not pay THC because it is absorbed by freight. But, Chennai is not on mainline route. So we have to pay more.

Most of the ports charge 0.2% only. Why should CHPT charge 0.5%?

JNPT is on the mainline. That is not therefore a comparable model.

**M/s. SHAHI Shipping Limited**

(i). We have a joint venture with Able Car Carrier of Malaysia. We operate PCCs. We have been looking forward to this wharfage reduction.

(ii). (a). PCCs have to compete with car carrying trucks; therefore, encourage coastal traffic.

(b). Charge unit rate and not advalorem.

(iii). We endorse the views of the HMIL.

**The Southern Indian Chamber of Commerce and Industry (SICCI)**

(i). We support the proposal of the HMIL which is reasonable.

(ii). Chennai is having locational disadvantage. We have to pay more freight. Please help us to compensate for this through less tariff.

**The Tamil Chamber of Commerce (TCC)**

(i). (a). The CHPT may reduce 0.4% even further as a ‘promotional tariff’.

(b). There can be a sliding scale with reference to certain levels of performance.

(ii). Why have the concept of ‘notional gang’ at all? Here no labour is involved. In any case, the Port proposes to dispense with it soon. Why not do it straightaway?

**The Chennai Steamer Agents’ Association (CSAA)**

(i). Why give priority berthing. Follow the ‘ousting priority’ principle for PCC vessels even if it is only RORO.

(ii). PCC vessels must only have RORO operations. Conventional handling shall not be allowed at all.

**The Hindustan Chamber of Commerce (HCC)**
(i). Let us have a ‘promotional tariff’.

(ii). Adoption of a unit charge will be helpful when second hand cars come in coastal traffic.

**The Chennai Customs House Agents’ Association (CCHAA)**

(i). The CHPT proposal should have been based on a cost analysis.

(ii). The proposal is irrational as it is advalorem for exports but, unit for imports.

(iii). For a Rs.17 crores investment in container terminal, return has been 1.35 crores. Why are they so fussy about returns in the case of RORO operation? (Rs.500/- on a 17 crore investment; and, Rs.900/- for no investment!) Why not accept the HMIL proposal?

(iv). In a separate case relating to classification of cargo for determination of wharfage, the TAMP has described the port as a ‘fee’ collecting body and not a ‘revenue’ collecting Agency. Why then go on advalorem basis?

(v). We have to lure others like Ford. Total revenue collection will be Rs. 16 crores and our proposal is based on this projection.

**The Madras Chamber of Commerce and Industry (MCCI)**

(i). This is a new traffic. The CHPT must do all it can to capture it without upsetting the balance on other points relating to other players. Shipping lines interests shall not be affected too much.

(ii). If concessions are given to the exporter in this case then lines also should get a benefit. Vessel-related charges with reference to GRT should be reduced for PCC vessels.

**Indian National Shipowners Association (INSA)**

(i). TAMP only awarded an over all increase in the recent general revision of rates of the CHPT. Itemised scrutiny was not done.

(ii). Cost analysis should have been done.

(iii). Why only compare with the JNPT rates? Why not compare with other cheaper ports?

**M/s. FORD India Limited**
(i). Ford has no plans to export just now. But, we may start from 2001.

(ii). Why not compare with container wharfage rates?

M/s. “K” Steamship Agencies (P) Limited

(i). We represent “K” Line Agency of Japan. Our principals have done a lot of calculation. Only HMIL can find this proposition economical. Other small exporters cannot find it to be so.

(ii). Ashok Leyland and other truck manufacturers have been exporting for long time. They should have been called to this hearing.

(iii). GRT of PCCs is very high compared to their DWT. Vessel-related charges based on GRT will work adversely.

(iv). Will this apply only to cars or other vehicles also?

(v). If you are not careful then exporters may shift to JNPT.

M/s. Parekh Marine Agencies Private Limited

(i). Waive booking of ‘notional gang’ in the case of PCCs.

(ii). Special priority must be given to PCC berthing.

The Chennai Stevedores Association (CSA)

‘Notional gang’ may be there. But, they shall not obstruct the operations. They shall not board the vessel.

6.1. The CHPT desired to give a written submission later after examining the following issues raised in the joint hearing:

   (i). Dispensing with the labour charges, as there will be no labour involvement.

   (ii). Exclusion of the DLB levy.

   (iii). Adoption of a ‘promotional’ tariff.

   (iv). Adoption of a sliding scale of tariff with reference to (assured) levels of performance.

6.2. The CHPT has subsequently revised its original proposal to the extent detailed below:
Wharfage on export of cars is proposed as 0.3\% on FOB value. The modified rate is prescribed as a promotional measure and will be valid for a minimum period of two years subject to revision thereafter.

The term ‘motor car’ will include cars, jeeps and vans.

6.3. The CHPT has not mentioned about dispensing with the labour charges, exclusion of the DLB levy and performance linked tariff. At the joint hearing the CHPT had indicated its plan to negotiate with the Labour Unions to do away with the ‘notional gangs’.

7. Based on the records available and with reference to the totality of information collected during the processing of this case, the following position emerges:

(i) In the existing Scale of Rates of the CHPT, the wharfage on motor cars and tourist caravans is prescribed as Rs.2,596/- per unit. This rate is applicable for both import and export; and, for conventional method of handling of cars. The CHPT has proposed a separate wharfage rate for export of car in PCCs on *ad valorem* basis. Considering the FOB value of cars range between Rs.2.5 lakhs to Rs.3.5 lakhs, the (modified) proposed wharfage per car will be in the range of Rs.750/- to Rs.1050/-.

(ii) As agreed in the joint hearing, the CHPT has come up with a revised proposal, which deals only with adoption of ‘promotional tariff’. The other issues like labour charges, DLB levy, and performance related tariff are not considered by the CHPT in its revised proposal.

Since the existing wharfage rate is for conventional handling of motor cars and, as per the indications given by the users, export of cars, which is to commence shortly, is to be done through specialised car carriers, it has become necessary to immediately prescribe a separate wharfage for such export pending examination of other issues by the CHPT.

(iii) Referring to the present (interim) arrangement of moving export cargo through 40’ containers, the HMIL has pleaded to fix the new wharfage rate for export of cargo with reference to the wharfage on 40’ containers. The associated costs involved in moving cars in containers are not limited only to wharfage on containers. Container handling charges are payable to the Ports and THC and hire charges of containers are payable to the Shipping Lines. The HMIL has
ignored these costs in its reference. The CHPT has correctly pointed that comparison of the proposed arrangement with the existing arrangement of moving the cars through containers is untenable.

(iv). Wharfage on motor cars is prescribed on ad valorem basis in all other Indian Major Ports except in NMPT, VPT and JNPT (for coastal services). It is to be recognised that in most of the major ports, there is no separate exclusive rate in the wharfage schedule for motor cars and it is classified under other cargo for calculation of wharfage. The existing wharfage rate of the JNPT for motor vehicles is stated to have been taken as a reference by the CHPT to formulate this proposal. However, users have demanded to compare with some other cheaper ports and not with the JNPT. The existing wharfage rate at JNPT is 0.5% of FOB value of export. In other ports, such ad valorem rate varies from 0.2% to 0.5%.

Some of the users have also demanded for adoption of a unit rate instead of prescribing the wharfage on ad valorem basis in the instant case also. As pointed out earlier, most of the Indian Ports charge wharfage on ad valorem basis for motor cars. Presently, there is no uniformity in the basis of charging wharfage among the Major Port Trusts. The wharfage schedule is a mix of weight / unit / ad valorem based rates. The question of standardisation of the basis of wharfage is engaging the attention of this Authority. It is to be recognised that ad valorem may be relevant for collection of ‘tax’; and, the ports are collecting ‘fees’ for services rendered. That being so, it is appropriate to have wharfage rates with reference to unit of weight. While deciding on standardisation, this Authority will examine the possibility of doing away with the ad valorem concept. This is an issue, which is not confined only to the CHPT but relevant commonly to all the Major Port Trusts. Till a final view is taken by this Authority on the ad valorem approach, the existing method of prescribing wharfage on ad valorem basis in the Major Port Trusts will continue. Accordingly, the proposal of CHPT to prescribe wharfage on ad valorem basis for export of motor cars is allowed for the time being till a common policy is evolved.

(v). Conceding the demand of the users, the CHPT has agreed to include Jeeps and Vans also in the category of cars for the purpose of levy of the wharfage. Similarly, the CHPT has proposed not to levy separate storage charge for car parking for the time being. On export considerations, the CHPT has agreed to allow a rent free period of 30 days for storage of cars awaiting export, as in the case of all other export cargo.
The CHPT has proposed a separate wharfage for coastal shipment of motor cars on *ad valorem* basis by extending a concession over the proposed *ad valorem* rate for export of cars.

In line with the policy of the Govt. of India to encourage coastal shipping, this Authority has been allowing concession to coastal vessels in the Vessel-Related Charges. The matter of extending concessions in cargo-related charges for coastal traffic is an issue of common concern to all the Port Trusts; and, as an issue on which separate decisions in respect of individual Port Trust can give rise to avoidable conflicts of interests. This Authority is also aware that some of the Port Trusts are opposed to the idea of ports subsidising coastal traffic for easing pressure on road / rail traffic.

The above-mentioned observations were made by this Authority while considering a proposal from the Mumbai Port Trust (MBPT) to allow a rebate of 20% in wharfage charges on coastal cargo. In our order relating to that case, the MBPT was advised to get its proposal relating to extending concession in cargo-related charges discussed in the forum of the Indian Ports Association (IPA) so that a coordinated appraisal of its implications can emerge for final consideration. We have not received any feedback from the MBPT so far. Till a common policy is evolved in this regard, it will not be advisable to approve concessions in cargo-related charges for coastal cargo in the case of one Port Trust in isolation. The CHPT is also advised to approach the IPA on this issue for coordinated views of all Major Ports in this regard. Till this happens, the proposal of CHPT to extend concession in cargo-related charges for coastal cargo can not be considered.

During the joint hearing, some of the users have raised the issue on reduction in Vessel-Related Charges with reference to the GRT in the case of PCC vessels. They have argued that Vessel-Related Charges based on GRT will work adversely as GRT of PCCs is very high compared to their DWT. This issue is not directly related to the present proposal, which is fixation of wharfage for export of cars. The CHPT can examine the demand further and come up with a suitable proposal, if the demand is found justified.

In the case of loading of cars by the RORO system, there is no involvement of Port or Dock Labour Board Labours. The users are justified in their demand that the Port must not take contributions for DLB levy and the port labour gang charges. The Port has also, in principle, agreed to do away with the notional gangs of labours. However, the Port has desired to discuss with the labour
unions with reference to DLB levy. Even though the Port has assured that the matter relating to the notional gang booking will be decided before the first shipment of cars, the Port has not yet reported the result of discussions with the labour unions. The Port is given six months time to negotiate with its Labour unions for doing away with the booking of notional gangs of labour for handling export of motor cars through PCCs.

(ix). The Port has also agreed in principle for a sliding scale of tariff with reference to (assured) levels of tariffs. The proposal of Port in this regard is yet to be formulated. The CHPT is advised to formulate a suitable proposal in consultation with the users for introducing a scale of tariff with reference to levels of performance.

(x). As pointed out earlier, the first consignment of cars is expected to be moved through PCC vessels shortly and there is a necessity to prescribe the tariff for such operation. The CHPT has also conceded the demand from the users and proposed a promotional tariff, which will be valid for a minimum period of two years. Keeping in view the interim arrangement proposed (by the CHPT) and performance linked tariffs to be formulated by the CHPT, this Authority approves the (revised) proposal of the CHPT to levy a rate of wharfage for export on cars at the rate of 0.3% of FOB value. This rate of wharfage will be applicable only in cases of cars exported using the RORO system. In cases of export of cars using conventional methods of handling, the existing wharfage rate of Rs.2,596/- per unit will be applicable; this will be so even if the vessel is a RORO vessel.

(xii). The wharfage rate to be approved by the Authority will be treated as an interim arrangement for two years, as proposed by the CHPT. However, the exclusion of labour charges, and DLB levy and formulation of performance related tariff will have to be examined by the CHPT immediately without waiting for a review at the end of the interim period.

8.1. In the result, and for the reasons given above, the Authority approves the following:

(i). Wharfage rate of 0.3% of FOB value for export of motor cars, jeeps and vans.

(ii). The above rate will be applicable only in case of export of motor cars, jeeps, and vans using the RORO system.
(iii). There will be no storage charge for parking of cars awaiting shipment for the time being. The free period of 30 days available to all exports will be extended to this case also.

(iv). The existing rate of Rs.2,596/- per unit will apply to motor cars (import), tourist caravans (import and export), and motor cars, jeeps, and vans exported by methods other than RORO system.

8.2. The CHPT is directed to incorporate the above changes in its Scale of Rates.

8.3. This Order shall come into effect immediately.

( S. Sathyam, Chairman )