

**PAKISTAN AS A LESS THAN
CONTAINER LOAD (LCL)
TRANSSHIPMENT HUB**

**by
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Pakistan International Freight Forwarders Association (PIFFA) and Pakistan Ship's Agents Association (PSAA) have jointly floated the idea of establishing Pakistan as a LCL Transshipment Hub on the global shipping map. The untapped huge potential to transform Pakistan into a LCL transshipment hub will benefit our Port Authorities with additional cargo/revenue and Pakistan's economy by attracting Foreign Direct Investment (FDI), local investment, creation of new employment opportunities, increase in tax revenue and foreign exchange earnings.

At present FCL Transshipment does exist on a limited scale, however, there is an opportunity to turn Pakistan into a LCL Transshipment Hub provided Federal Board of Revenue (FBR) and State Bank of Pakistan (SBP) provide the necessary legal framework and the Port Authorities provide the requisite space.

Pakistan can become a preferred LCL transshipment hub in the region as compared to Singapore, China, Colombo, Dubai, etc. due to economical operational cost, efficient handling, cost effective shipping due to global direct console service and availability of low-cost bonded storage. Indirectly, there will be growth in transport sector, goods packing and pallet industry as well. Potentially, share of regional market can produce volume of 200,000 TEUs or more per year. Needless to say, this is an opportunity for Pakistan to generate additional revenue as well as increase its footprint on the global transshipment map.

Both the Associations have been advocating this idea at various levels. In this connection PSAA and PIFFA held several meetings and made a comprehensive presentation to various Government entities such as KPT, PQA, Port Mohammad Bin Qasim Collectorate, Collectorate of Customs (Appraisalment), Collectorate of Customs (Preventive), and United States Agency for International Development (USAID). We are pleased to inform you that all concerned have assured their full co-operation in establishing this project.

One of the key requirements for establishing this facility is land: I am pleased to inform you that both Chairman KPT and Chairman PQA have agreed in principle to provide the requisite space needed for this purpose for which we are grateful to them. We hope to iron out the modalities of acquiring this land in near future.

Once the requisite formalities are completed and policy framework is in place, it will operate as a private limited company having directors and shareholders from the members of both Associations.