

# Ports' closure may result in loss of Rs 100 cr/day, WISA fears

MUMBAI: Direct and indirect losses arising out of the closure of Mumbai and JN port terminals for traffic could go up close to Rs 100 crore a day if the current situation continues for a week, say shippers. According to the Western India Shippers Association (WISA), all port activities had come to a standstill from Saturday. Besides ports, shipping lines and shippers, there are several others such as truckers, clearing agents, shipping agents and freight forwarders facing business losses.

In addition to this, the delay in delivery of cargo disrupts production schedules, resulting in indirect losses, said Mr R. Venkatesh, Vice-President, WISA. The average/day loss for JN port terminals alone could be Rs 1.5 crore, said a port official.

Along with the two private container terminals, JNPT handles nearly 10,000 containers a day. Besides this, the standing cost of a ship at port could be around \$15,000-20,000 a day.

However, the JNPT is insured for around Rs 200 crore, which covers loss or damage to cargo, containers, equipment, vessels in custody or control of the assured or while on its premises. It also includes wreck removal, losses arising out of business interruption, and any physical damage to the port building.

"The insurance cover will cover the loss due to business interruption.

Port package insurance policies are fully reinsurance driven. The coverage and rates are mainly determined by the reinsurance

support, said the official.

"The closure of the channel will have a very huge impact on the trade.

"It will take at least three weeks to clear the backlog once the channel is cleared for traffic," said Mr Venkatesh said.

Shippers complain that the port authorities have yet to send any official communication to port users.

Mr J.N. Das, Director, SCI, said that three vessels of SCI were waiting for berth while two were waiting to sail out. These vessels are likely to be diverted to Mundra port in Gujarat, if the current situation continues.

### Daily import duty loss is Rs 85 crore

Customs officials estimated the daily import duty loss at Rs 85 crore. Annually, Rs 26,000 cr is generated in import duty from the two ports. Shipping industry sources said JNPT is losing business to the tune of around 10,000 containers a day; three to five ships have been diverted to Pipavav port in Gujarat while a few others may be diverted to Mundra.

BPCL said three of its shipments, 2 lakh tons in all, were waiting to dock. More than 31 ships are stranded at MbPT as they can't leave port till operations resume; more than 37 are waiting at sea to enter the port. At JNPT, eight vessels are stranded; 80 are waiting to dock.

JNPT sources said: "Traffic has come to a standstill. We have 11 berths, nine vessels are docked at any given time. You can imagine the effect on operations."