



Global Compact
Network Pakistan

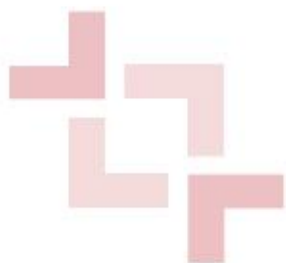


**ANNUAL PROGRESS REPORT
(2021-2022)**

**&
REPORT ON**

CONSULTATIVE MEETING
TO MARK THE SOFT LAUNCH OF

**“COLLECTIVE ACTION AGAINST
CORRUPT PRACTICES IN
MARITIME INDUSTRY IN PAKISTAN”**





Fasihul Karim Siddiqi
Executive Director
Global Compact
Network Pakistan

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The values of integrity, transparency and zero tolerance to corruption need to be embraced by the organizations as an integral part of their work culture. Fight against corruption must be effectively addressed through collective action, total cooperation and support by the public and private sector partners as well as purposeful local global collaboration. United Nations Global Compact Network Pakistan asserts its commitment to zero tolerance for corrupt practices as the most formidable tool for sustainable business development.

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Introduction:

Pakistan, located at the center of the Indian Ocean is a significant coastal state, which carries out more than 95% of its trade through the sea via the ports at Karachi, Bin Qasim and Gwadar. Pakistan also makes the most of its 290,000 sq. km of Exclusive Economic Zone and Continental Shelf for numerous purposes including fishing, mining, exploration and maritime research. Over 15 million barrels of crude oil are shipped right across the Pakistani coast from the Gulf States daily through the Persian Gulf. Pakistan also offers the shortest sea access to Afghanistan, Central Asian States and China. This adds not only to the importance of Maritime Economy Potential of Pakistan but also highlights its geo-strategic importance.

In spite of the importance of Maritime Economy Potential of Pakistan, the maritime sector has not been adequately used for accrual of optimal benefits and advantages. Pakistan's marine exports amount to \$ 183 million while the potential stands at \$ 2 billion. Pakistan's maritime revenue currently stands at \$ 183 million which is too low compared to its \$ 9 billion potential. Coastal tourism can generate approximately \$ 5 billion for Pakistan. Shipbreaking can generate \$ 1.5 billion. Transshipping can generate \$ 5 million. One of the major issues with maritime industry of Pakistan, among many others, is the existence of corrupt practices within the marine industry. According to UN estimates, Corruption can add 10% or more to the cost of doing business internationally. In Pakistan, the cost of ease in doing business can be substantially increased if the corrupt practices in maritime industry are adequately addressed. Besides, it will also save colossal losses to national exchequer caused due to the prevalence of corrupt practices in maritime industry.




Today it is widely believed that the private sector has a crucial role to play in eliminating corruption. While companies recognize that there is a pressing need for them to take a firm stance against corruption and to actively fight it, it is becoming increasingly clear that only by working collectively will the private sector be able to bring about systemic changes in the external operating environment that are required to eliminate corruption. This is particularly true in the maritime industry where corruption occurs as a result of the interplay of a multitude of public and private sector stakeholders.

The Maritime Anti-Corruption Network (MACN) with its headquarters in Copenhagen Denmark was established in 2011 as a significant industry initiative which has been successfully driving changes and has succeeded in bringing notable improvement in countries like Nigeria, Egypt and Argentina where the industry has taken productive actions with collaborative efforts of MACN and the local sector, a potential discrepancy which took 7-10 days to dissolve now takes 1-6 hours in Nigeria resulting in reducing the operational cost due to heavy delays similarly the port cost and commercial delays accruing from each extra day in Argentinian ports which could amount to more than \$ 50,000 per day have seen a 90% drop in corrupt demands reducing operational cost and time in port significantly.

It is in this background that Global Compact Network Pakistan in collaboration with MACN has undertaken a joint initiative to launch "Collective Action against Corruption Practices in Maritime Industry of Pakistan." The project which started in September 2021 has completed the first year of its initiative. In this report, we are presenting the progress of the first year of our collaborative initiative while thanking the stakeholders for their commitment to support the initiatives wholeheartedly.

Project Goals and Main Activities:

- Establishment of Collective Action Network
- Development of recruitment tracker with initial targets
- Follow-up calls with MACN members and Shipping associations.
- Running recruitment events
- Launch and operationalize alliances.
- Bi-annual Regional Network Roundtables
- Public-private sector roundtable on maritime corruption
- Delivering integrity gap assessment and reform recommendations for Maritime/port sector
- Piloting MACN's third-party risk management community platform
- Launching MACN reporting system among alliance members
- Establishment of a dedicated collective action compliance function in local Maritime business associations
- Training of dedicated staff in internal controls, compliance and Project management
- Establishment of collective action resource hubs in Maritime business associations

<p>13-9-2021</p> <p>Internal Kick off call meeting with MACN held on 13 September 2021. In this meeting, MACN made a presentation on an overview of the MACN collective action initiative and the three C's pillars of Capacity Building, Collective Action and Culture of Integrity. Explaining the objectives of the project, the meeting discussed MACN incident data of Pakistan and committed to build a collective action alliance with Global Compact Network Pakistan against maritime Corruption. The project builds on over 10 years of successful experience in implementing MACN led collective action initiatives in Nigeria, Ukraine, Indonesia, and Argentina.</p>	
<p>September 23, 2021</p> <p>Kick-off call with Siemens</p>	
<p>October 7, 2021</p> <p>MACN Fall member meeting</p>	
<p>October 13, 2021</p> <p>MACN Collective Action Workshop</p>	
<p>February 15, 2022</p> <p>Recruitment webinar on Collective Action against Corruption in Maritime Industry of Pakistan with panelists from local Maritime Industry. The panelists included: Mr. Martin Benderson, Associate Director, Collective Action & Partnership Development, MACN, Mr. Mathias Bak Associate, MACN, Mr. Muhammad Najib Balagamwalla Chairman, Seatrade Group of Companies, Mr. Syed Tahir Hussain, Mr. Majyd Aziz, President, GCNP Mr. Fasihul Karim Siddiqi, Executive Director, GCNP</p>	
<p>March 1, 2022</p> <p>Steering Committee meeting</p>	
<p>March 15, 2022</p> <p>Meeting with Chief Collector, Pakistan Customs at his office at Pakistan Customs Building to explain the MACN project.</p>	
<p>April 27-28, 202</p> <p>Spring Members meeting, London, UK. The meeting covered a mix of plenary sessions and workshops. On the first day, members had the opportunity to get inspired by the work that the Nigerian government has been implementing together with MACN local partner CBI and had the chance to hear in breakout sessions from MACN's local partners who are supporting and implementing actions on the ground in Nigeria, Egypt, India, and Bangladesh. The sessions and discussions on the second day revolved around MACN's capability-building workshops as well as the different industry working groups. In an exclusive meeting on shortage claim issue, the P&I Club, MACN and GCNP Shared their respective views and agree for a joint action to address the issue. GCNP was represented in person in the London meeting by Mr. Fasihul Karim Siddiqi, Executive Director, GCNP Dr. Zubair Anwar Bawany, Deputy Executive Director, GCNP, Mr.</p>	

<p>Mirza Raza Ali & Ms. Bushra Raza, Directors GCNP Board while Mr. Muhammad Najib Balagamwalla, Chairman, Seatrade Group of Companies joined on zoom.</p>	
<p>May 18, 2022 Meeting with Pakistan International Freight Forwarders Association (PIFFA). Chairman PIFFA, Mr. Shakeel Ahmed Executive Committee member and their Secretary General were present.</p>	
<p>May 18, 2022 Meeting with Officials of Karachi Customs Association President Mr. Saiullah Khan, General Secretary Mr. Arshad Khurshid and Joint Secretary Mr. Nausherwan Haider.</p>	
<p>June 22nd, 2022 Meeting with Mr. Muhammad A. Rajpar, MD General Shipping Agencies (Pvt) Ltd, his son and other staff members at their office.</p>	
<p>June 22nd, 2022 Meeting with Syed Tahir Hussain, Secretary General, Pakistan Ship's Agents Association and other staff members.</p>	
<p>June 28th, 2022 MACN members meeting at Basel, Switzerland. GCNP was represented by Mr. Fasihul Karim Siddiqi.</p>	
<p>July 20, 2022 Meeting with Mr. Shams Burney, President, All Pakistan Custom Bonded Carriers Association along with other officials.</p>	
<p>July 22, 2022 Initial meeting with Syed Tanvir Ahmad in his office to seek his consent to be our Project Advisor.</p>	

<p>September 27, 2022 Meeting took place at Pakistan Hosiery Manufacturers and Exporters Association at PHMEA office. Mr. Javaid Bilwani, Senior Mentor, Mr. Khadim Rasool, Secretary General and Mr. Amjad Sb. Technical Manager were present.</p>	
<p>September 28, 2022 2nd Meeting with Mr. Shams Burney, President, All Pakistan Custom Bonded Carriers Association in the office of Syed Tanvir Ahmad, project Advisor to discuss possible way forward for the project and upcoming meeting.</p>	
<p>September 29, 2022 Meeting with Mr. Shah Zaman, MD of Zaman Agencies (Pvt.) Ltd. Ex Vice President of Karachi Customs Agents Association and prominent customs agent.</p>	
<p>September 29, 2022 Meeting with Mr. Younus Soomro, Customs Agent and Advisor Ports, Shipping & Multi Model Transport Sub Committee (2021-22).</p>	
<p>October 1, 2022 Meeting with Mr. Adnan Ayub Ali, Owner of Mahem Enterprises, Custom Agent.</p>	
<p>October 3, 2022 Meeting with Mr. Nasir Mahmood, Chairman Ports & Shipping Committee (2007)</p>	
<p>October 10, 2022 Meeting with Mr. Murtaza Ali, Director Claims at Global Logistics Services to discuss the issue of short landing of edible oil in Pakistan.</p>	
<p>October 11, 2022 Meeting with Mr. Najib Balagamwala , Chairman Sea Trade Group to discuss the issue of Shortage Claims at Bin Qasim Port and possible remedies thereto.</p>	
<p>October 18, 2022 Meeting with Mr. Arshad Jawwad, Chief Collector Customs Appraisement (South) to seek help in shortage claims issue.</p>	
<p>October 25, 2022 Meeting with Mr. Haroon Malik, Additional Collector, Appraisement, at Pakistan Customs at Model Customs Collectorate, Port Bin Qasim along with Mr. Arsalan, Assistant Collector and Mr. Siddiquallah Sb, Appraising Officer to discuss shortage issue. Later on visited Port Qasim Terminals to see the procedure of oil discharging and storing in the terminals. How the oil is loaded on the tankers and shipped to various importers and how Customs Officials do the checking of the tankers and paper work at Custom office is carried out.</p>	
<p>October 29, 2022 Second meeting was conducted with Mr. Najib Balagamwala in his office to discuss the updates gathered so far after meeting Custom Officials and Mr. Murtaza Ali. Mr. Wajid Ali. General Manager Finance at Sea Trade shared the procedures and documentation process of importing dry bulk cargo etc.</p>	
<p>November 3, 2022 Meeting with Chairman KPT Syed Muhammad Tariq Huda to brief him about the project. The meeting was followed by meeting with Mr. Raghbir ul Khair, General Manager (P&D) and Mr. Sohail Anwer Khan, General Managers (Civil Works). This helped us to understand the role of KPT as stake holder of maritime industry.</p>	
<p>November 11, 2022 Meeting was conducted with Mr. Younus Vayani Director Operations at Oceanworld (Pvt.) Ltd. This company is a shipping Agency, provides stevedoring, Manning Agency, Ship Brokering/Chartering, International Freight</p>	

Forwarding, Clearing/Forwarding, Transportation, Logistics Services, Pilot Boat Services, Water/Bunker Barge Services.

November 28-30, 2022

MACN Fall members meeting at Dubai. Pakistan gave a presentation on short landing of edible oil and discussed the way forward. GCNP was represented in the meeting by Mr. Fasihul Karim Siddiqi, Executive Director, Mr. Syed Tanvir Ahmad, Project Advisor and Mr. Muhammad Akram, Project Manager



December 19, 2022

Meeting with Mr. Mayhar Mustafa Kazi, Partner at RIAA Barker Gillette a law firm to discuss modus operandi on shortage issues at the port.

December 26, 2022

Meeting with Ms. Alia Shahid DG Ports and Shipping to brief her on the project and extended invitation to attend upcoming first round table meeting with stake holders.



December 28, 2022

Consultative Meeting to mark the soft launch of Collective Action against Corrupt Practices in Maritime Industry in Pakistan.
(Detailed Report Follow)



January 5, 2023

Meeting with Mr. Honnak Baloch, Additional Collector (Enforcement) to discuss Port Community Services project his department is undertaking and MACN potential involvement in it.



January 5, 2023

Meeting with Syed Saeed Athar, Managing Director and Mr. Ayan Saeed Director Commercial of Trans Group of Companies to discuss the shortage claims issues of edible oil.

January 9, 2023

Meeting with Naveed Abbas Memon, Chief Domain Officer, Pakistan Single Window (PSW) to acquaint the working of PSW and seek the ways to cooperate in the future.



EVENTS AHEAD

Visit of MACN Officials to Pakistan

Mathias Bak, Associate, Mr. Jonas Sørberg Erlandsen, Senior Lead South Asia along with Mr. Martin Zapata Academic Programmes Senior Officer, International Anti-Corruption Academy (IACA) will visit Pakistan during the period from 21st February 2023 to 3rd March 2023. A comprehensive program for their meetings with important stakeholders i.e Government Officials, Shipping Agents, Custom Agents & other officials along with two training events has been planned during their first-ever official visit of MACN to Pakistan.

LAUNCHING OF COLLECTIVE ACTION FOR GOOD GOVERNANCE, BEST PRACTICES AND INTEGRITY MEASURES IN MARITIME INDUSTRY OF PAKISTAN



Pakistan carries out more than 95% of its trade through the sea via the ports at Karachi, Bin Qasim and Gwadar. Pakistan also makes the most of its 290,000 sq. km of Exclusive Economic Zone and Continental Shelf for numerous purposes including fishing, mining, exploration and maritime research. Over 15 million barrels of crude oil are shipped right across the Pakistani coast from the Gulf States daily through the Persian Gulf. Pakistan also offers the shortest sea access to Afghanistan, Central Asian States and China. This adds not only to the importance of Maritime Economy Potential of Pakistan but also highlights its geo-strategic importance.

The maritime sector has not been adequately used for accrual of optimal benefits and advantages. Pakistan's marine exports amount to \$ 183 million while the potential stands at \$ 2 billion. Pakistan's maritime revenue currently stands at \$ 183 million which is too low compared to its \$ 9 billion potential. One of the major issues with maritime industry of Pakistan, among many others, is the absence of good governance within the marine industry. According to UN estimates, Corruption can add 10% or more to the cost of doing business internationally. In Pakistan, the cost of ease in doing business can be substantially increased if issues of good governance are adequately addressed.

The UN Global Compact Network Pakistan, in collaboration with Maritime Anti-Corruption Network (MACN) and Employers' Federation of Pakistan (EFP), is organizing a National Seminar to highlight issues and challenges in good governance, best practices and integrity measure in the maritime industry of Pakistan. International speakers and representative s from the government, the private sector and stakeholders will share their experience and thoughts in addressing issues followed by interactive session with the participants. The seminar is open to all relevant stakeholder groups including GCNP and EFP/MACN member companies, custom ports and shipping officials, shipping companies, Shipping Agents' Associations, Custom Agents' Associations, PIFFA, Custom Bonded Carriers' Association and other related associations, bodies and stakeholders.



Global Compact
Network Pakistan



INVITATION

Majyd Aziz
President
GCNP

Fasihul Karim Siddiqi
Executive Director
GCNP

Cecilia Müller Torbrand
Chief Executive Officer
MACN

invite you to

LAUNCHING OF COLLECTIVE ACTION FOR GOOD GOVERNANCE, BEST PRACTICES AND INTEGRITY MEASURES IN MARITIME INDUSTRY OF PAKISTAN

being organized on



2nd March 2023



10AM – 1PM



Hotel Marriott Karachi

Syed Faisal Ali Subzwari, Federal Minister,
Ministry of Maritime Affairs, Govt of Pakistan
has kindly consented to be the **Chief Guest** of the event.

Confirm your availability to grace the event
at info@gcnp.org.pk

RSVP

Syed Tanvir Ahmad, Project Advisor 0300 8254446

Muhammad Akram, Project Manager 0300 8229995



TENTATIVE PROGRAM AGENDA

National Seminar on Good Governance, Best Practices and Integrity Measures in Maritime Industry of Pakistan

March 2nd, 2023

Hotel Marriott, Karachi, Pakistan

10:00 - 13:00 Hrs

Start Time	End Time	Particulars	Person Responsible
10:00 hrs	10:30 hrs	Networking	Ms. Maheen, Executive Coordinator, UN GCNP
10:30 hrs	10:30 hrs	Guests to be seated	
10:30 hrs	10:35 hrs	Recitation from Holy Quran	Ms. Zainab, IT Coordinator, UN GCNP
10:35 hrs	10:40 hrs	National anthem	
10:40 hrs	10:45 hrs	Welcome Address	Mr. Majyd Aziz, President, UN GCNP
10:45 hrs	10:50 hrs	Objective of the Conference	Mr. Fasihul Karim Siddiqi, Executive Director, UN GCNP
10:50 hrs	11:00 hrs	Introduction of MACN	Mr. Mathias Bak, Associate, MACN
11:00 hrs	11:10 hrs	Legal reforms for improving good governance in maritime Industry and issue of shortage claims	Mr. Mayhar Mustafa Kazi, Partner, Riasa Barker Gillette
11:10 hrs	11:20 hrs	Presentation on Pakistan Single Window	Mr. Naveed Abbas Memon, Chief Domain Officer, Pakistan Single Window (PSW)
11:20 hrs	11:35 hrs	Best Maritime Practices by MACN - Globally	Mr. Jonas Erlandsen, Senior Lead, South Asia MACN
11:35 hrs	12:05 hrs	Panel Discussion	1. Mr. Shah Zaman, Managing Director Zaman Agencies Pvt. Ltd, Ex Senior VP (KCAA) 2. Mr. Honnak Baloch, Additional Collector (Enforcement), Pakistan Customs 3. Mr. Martin Zapata, Academic Programmes Senior Officer, International Anti-Corruption Academy (IACA) 4. Dr. Asif, Head of Maritime Department, Bahria University Karachi 5. Mr. Rizwan, Head of Compliance & Customs Affairs, DP World 6. Representative of United Nations Office on Drugs and Crime (UNODC) To be Moderated by Muhammad Akram, Project Manager, UN GCNP
12:05 hrs	12:10 hrs	Presentation of shield to panelists	Mr. Fasihul Karim Siddiqi, Executive Director, UN GCNP
12:10 hrs	12:20 hrs	Speech by Guest of Honour	Ms. Alia Shahid, Director General, Ports and Shipping
12:20 hrs	12:30 hrs	Speech by Guest of Honour	Mr. Wajid Ali, Director General, Pakistan Customs Academy
12:30 hrs	12:45 hrs	Speech by Chief Guest	Mr. Faisal Sabzwari, Federal Minister, Maritime Affairs
12:45 hrs	12:50 hrs	Presentation of Mementos to Chief Guest, Guest of Honour & MACN Guests	Mr. Majyd Aziz, President, UN GCNP
12:50 hrs	12:55 hrs	Vote of Thanks / Group Photo	Mr. Syed Tanvir Ahmad, Ex-member customs and Project Advisor, UN GCNP
12:55 hrs	13:00 hrs	Group Photograph	Professional Photographer
13:00 hrs	14:00 hrs	Lunch	Marriott Hotel

Masters of Ceremony

Ms. Maheen Anwar - 10:00 hrs - 12:05 hrs

Mr. Fawad Zahir - 12:05 hrs - 13:00 hrs

HIGHLIGHTING CHIEF GUEST | GUEST OF HONOUR SPEAKERS | PANELISTS | ASSOCIATES



Chief Guest
Syed Faisal Ali Subzwari

Federal Minister
Ministry of Maritime Affairs
Govt of Pakistan



Guest of Honour
Alia Shahid

Director General
Ports and Shipping



Guest of Honour
Wajid Ali

Director General
Pakistan Customs Academy



Majyd Aziz

President
Global Compact
Network Pakistan



Fasihul Karim Siddiqi

Executive Director
Global Compact
Network Pakistan



Jonas Seberg Erlandsen

Senior Lead South Asia
Maritime Anti-Corruption
Network (MACN)



Mathias Bak

Associate
Maritime Anti-Corruption
Network (MACN)



Martin Zapata

Academic Programmes
Senior Officer
International Anti-Corruption
Academy (IACA)



Najib Balagamwalla

Chairman
Seatrade Group of Companies



Mayhar Mustafa Kazi

Partner
Riaa Barker Gillette



Shah Zaman

Managing Director
Zaman Agencies Pvt. Ltd
Ex Senior VP (KCAA)



Naveed Abbas Memon

Chief Domain Officer
Pakistan Single Window (PSW)



Mohammed A. Rajpar

Managing Director
General Shipping Agencies



Bilal ur Rehman

Chairman
Pakistan International Freight
Forwarders Association (PIFFA)



Shams Burney

President
All Pakistan Custom Bonded
Carrier Association (APCBCA)



Junaid Mahmood

Joint Secretary
Karachi Customs Agents
Association (KCAA)



Honnak Baloch

Additional Collector
(Enforcement)
Pakistan Customs



Tanvir Ahmad

Project Advisor
Global Compact
Network Pakistan



Muhammad Akram

Project Manager
Global Compact
Network Pakistan



Nuzhat Jahan

Secretary General
Global Compact
Network Pakistan

PROCEEDINGS OF CONSULTATIVE MEETING HELD ON 28TH DECEMBER 2022



Global Compact
Network Pakistan



COLLECTIVE ACTION AGAINST CORRUPT PRACTICES IN MARITIME INDUSTRY OF PAKISTAN

CONSULTATIVE MEETING WITH STAKEHOLDERS

ORGANIZED BY

GLOBAL COMPACT NETWORK PAKISTAN (GCNP)

IN COLLABORATION WITH

MARITIME ANTI-CORRUPTION NETWORK (MACN)



Global Compact Network Pakistan – MACN Project

Consultative Meeting to mark the soft launch of

“Collective Action against Corrupt Practices in Maritime Industry in Pakistan”

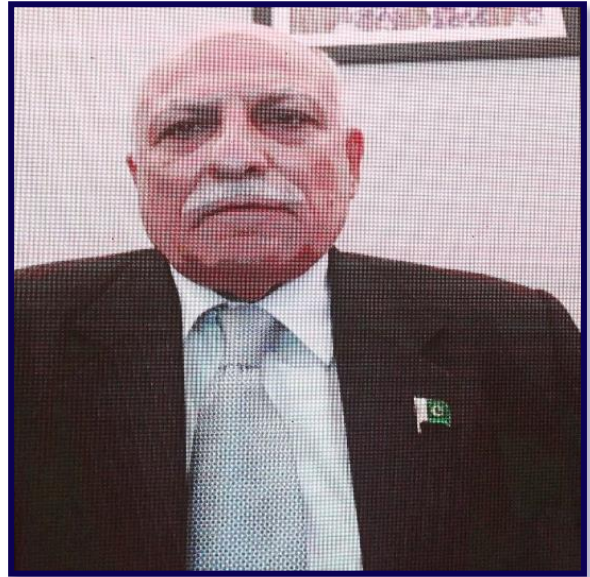
Wednesday, 28th December 2022 | 3:00 PM | Hotel Movenpick, Karachi

Program Agenda

TIME	NAME / DESIGNATION	PARTICULARS
3:00 – 3:15 pm	Ms. Maheen / Ms. Zainab	Registration / Networking / Running Tea
3:15 – 3:20 pm	Mr. Shahbaz Khursheed	Tilawat e Quran
3:20 – 3:22 pm	Mr. Hassan	National Anthem
3:22 – 3:30 pm	Mr. Majyd Aziz, President, GCNP	Welcome remarks
3:30 – 3:40 pm	Mr. Mathias Bak, Associate, MACN	Introduction to MACN / Video presentation
3:40 – 3:50 pm	Mr. Fasihul Karim Siddiqi, Executive Director, GCNP	Project Overview and Collective action paradigm for addressing corrupt practices in maritime industry in Pakistan
3:50 – 4:05 pm	Honnak Baloch, Additional Collector (Enforcement) Pakistan Customs	Pakistan Single Window (PSW), Port Community System (PCS), its vision, National Supply Chain, PCS Services
4:05 – 4:50 pm	<p>Panel Discussion I: Theme – Issues and challenges of good governance and combatting corrupt practices in maritime industry in Pakistan. Note: Each panelist would have 5-7 minutes to speak on the topic against their names followed by Q & A.</p> <p>Panelists:</p> <ol style="list-style-type: none"> Mr. Junaid Mahmood, Joint Secretary, Karachi Customs Agents Association (KCAA) Mr. Bilal ur Rehman, Chairman, Pakistan International Freight Forwarders Association (PIFFA) Mr. Shams Burney, President, All Pakistan Custom Bonded Carrier Association (APCBCA) <p>Panel Discussion II: Theme – Admiralty laws and challenges</p> <ol style="list-style-type: none"> Mr. Shahbakht Pirzada, Associate Partner, Riasa Barker Gillette Mr. Najib Balagamwala, Chairman, Seatrade Group Mr. Tanvir Ahmad, Ex-member customs and Project Advisor 	<p>Role of customs agents in improving efficiency</p> <p>Impact of Corruption on cost of doing business</p> <p>Improving governance in ports operations</p> <p>Gaps in admiralty laws and areas of reforms</p> <p>Issues and solutions in shortage claims</p> <p>Short landing issues and solutions</p>
4:50 – 5:00 pm	Mr. Jonas Erlandsen, Senior Lead – South Asia MACN	Success stories in combating corrupt practices in Nigeria, Egypt and Ukraine
5:00 – 5:10 pm	Remarks by Guest of Honour, Mr. Wajid Ali, Director General, Pakistan Customs Academy	
5:10 – 5:20 pm	Remarks by Chief Guest, Ms. Alia Shahid, Director General, Ports and Shipping	
5:20 – 5:25 pm	Memento Presentation to panelists / speakers / guests	
5:25 – 5:30 pm	Muhammad Akram, Project Manager, GCNP	Vote of thanks
5:30 pm	Hi Tea	

**Mr. Majyd Aziz,
President
Global Compact Network
Pakistan**

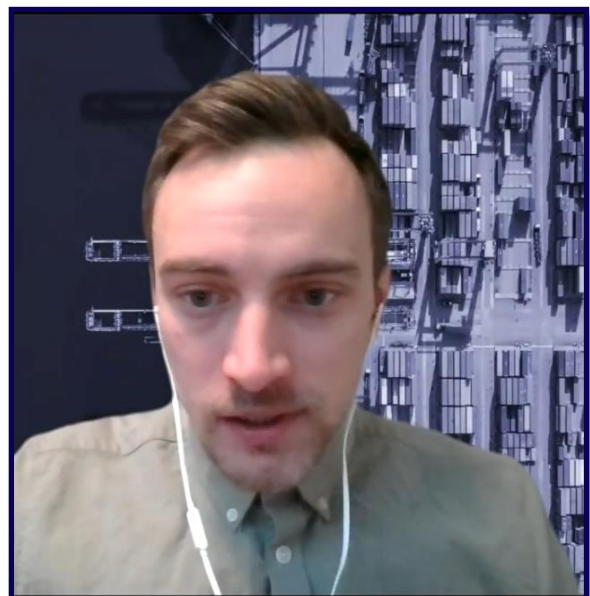
Ladies and gentlemen! Good afternoon from Dubai. I would welcome all of you on behalf of Team GCNP. When we are talking about corruption, which has many meanings, we have to take a holistic approach. It's not exactly directly only the money involved. And in my opinion, it is the responsibility of the top hierarchy of any sector to control the corruption factor. Secondly, from the workers' point of view, at Karachi Dock Labor Board, dock workers hire outsiders to perform their jobs to whom these dock workers' pay 30, 40, 50% of what they are getting for loading and unloading jobs and making these young people do all the hard work and they relax and take the money. That is another corruption from the worker side. The private sector is also involved in corruption. The customs agents. For example, offer speed money to governmental agencies to get their goods cleared quickly. In late 80s, as per an educated guess, the money involved in corruption was around Pak Rs. 1.7 billion, which must be around 11-12 billion currently. Another type of corruption is that there is only one bank in the port area



which keeps collecting money and does not even issue a cheque book to the account holders. KPT is only authorized to withdraw any amount. This is another type of corruption. Corruption is also going on in edible oil imports at the port. With MACN, which deals more than 1200 ports and half of the world's cargo is operated by its members, has been successful in helping many countries reduce corruption. MACN is here to educate us, help us and guide us with its rich experience all over the world. In Pakistan, GCNP team members are present to support your efforts. Please keep Pakistan first and help reduce corruption. Pakistan Zindabad (Long live Pakistan)

**Mr. Mathias Bak,
Associate
Maritime Anti-Corruption Network**

Thank you for being with us today at the stakeholders' meeting. But let me just give an introduction to who we are. So, we are an industry association, a global business network of companies that want to contribute to a maritime industry that is free of corruption and the maritime industry that enables fair trade and a form of trade that benefits the wider society around us. Corruption destroys trust in businesses and destroys trust in society. It undermines economic development and undermines the



profitability of companies and the ease of doing business. It also leads to the loss of talented individuals that are so necessary both for companies and societies to prosper because it fundamentally undermines people's dignity. MACN was established in 2011 because some of the maritime companies simply got in the mouth of improper payments. And since 2011, it has grown to over 180 companies. And collectively we carry more than 50% of the world's tonnage. So, we are well represented across the various segments of the industry, both container liquid cargo and dry cargo bulk and also increasingly in the P&I area. Our philosophy is based around the three cities, which means Capability Building, Collective Action and Collaboration. Capability building means we provide the people we work with the tools that they need to implement a culture of integrity inside of their organization. We provide training, we give them due diligence solutions, we provide data and we provide various technological options for our member companies to improve their internal organization. Then we do collaboration, which means that we work with governments and the private sector and try to find common solutions. Not to shame anyone, not to point fingers, but sit down together and have a good conversation about how we create better procedures so that we can create a better environment for doing business for everyone. And then we do collective action. Collective Action means



that multiple stakeholders come together to solve a common issue. Lack of integrity is not an issue that a single company or a single individual can do something about. In fact, if somebody tries to change the system alone, they will likely suffer. They will face a lot of backlash but if many companies come together and together create a change in the system, then we can create serious improvements. And that's what we call collective action. That's how MACN works. We have Collective Action projects across the world. The first project was in Argentina where we saw the number of incidents of corruption decrease by 90% since we came there. Corruption incidents in Argentina were very much related to private surveyors so we changed the system together with the surveyors so that there weren't the same incentives for taking bribes. Then we went to Nigeria and we've been there for around a decade now, and we have also seen immense progress in Nigeria. We have worked in the Suez Canal for many years and are also starting to increasingly see a process of transformation there. In India, we started in 2019 and recently we expanded from India to Pakistan and Bangladesh as well to cover the three major South Asian countries. And in all countries, we have tried to find out what the root causes were for improper payments and implement actions that tackled these issues at the root cause. And that is the basis of our success. And I very much look forward to working with the stakeholders in Pakistan to do the same there.

**Mr. Fasihul Karim Siddiqi,
Executive Director
Global Compact Network Pakistan**

Distinguished stakeholders sitting here have provided us with the courage and with the environment in which today we have been able to convene the first consultative meeting. The world is moving towards a new direction. The business is going to change from adopting a competition-based strategy to a strategy which is going to look forward

to new opportunities. And that's where the Blue Ocean strategy comes into the picture. The maritime industry possibly is the most important resource which will enable the business to provide movement of goods, materials, raw materials and resources from one place to another, new geographical locations and to help businesses find opportunities for a cheaper, more favorable environment to do business. In such an atmosphere, if the maritime industry can provide support which is important, particularly for a country like Pakistan where business can come from outside and flourish, finding it a cheap, comfortable, friendly zone for operation, this possibly is going to make Pakistan into the new era of industrial competition. What is therefore important is, that the maritime industry should be free from what I call not corruption, poor practices and bad practices which are likely to kill our ability and our resilience to act as a supportive industry. Global Compact Network Pakistan as an affiliate of the United Nations Global Compact has been working

**Mr. Honnak Baloch,
Additional Collector
(Enforcement)
Pakistan Customs**

Assalam o Alaikum. Thank you very much for inviting me to the meeting. Pakistan Customs is also working against corruption in the maritime sector in Pakistan. The major reasons for corruption are delays, lack of connectivity and lack of data sharing by all the parties. Pakistan Single Window (PSW) is created to handle such issues which are being looked after by Pakistan Customs officials. PSW developed a program called "Port Community System" (PCS). Being agreed with Mr. Fasihul Karim Siddiqi that

for the last 17 years to promote the ten principles of UNGC related to Human rights, Labor rights, Environment and Anti-corruption. Surely, therefore, in our effort to promote these principles, we came across MACN last year and MACN was gracious enough after contacting the United Nations to find in us a partner in Pakistan along with Bangladesh and India where three simultaneous projects have been started what has been called as collective action against corrupt practices in the maritime industry.

So, with these few words, I have very distinguished speakers and panelists today who have agreed to join us. This is the beginning of a journey in which we want each one of you to be our partner. I'm particularly thankful to Ms. Alia Shahid who in spite of her preoccupation was kind enough to give us the time. And she is here and we'd like to hear her. Thank you very much.



there is no blame game here in the meeting, I would like to move forward on PCS. PCS is a system that will provide all stakeholders with a single platform that will enable them to be

connected. It will solve their payment issues and all. Its first phase will start from July - August 2023 before commencing its full operation in 2024. This system will bring all stakeholders who are operating multi-systems to a single platform. That is what is being done. Just like in Pakistan customs, we introduced WeBOC (Web Based One Customs). WeBOC has transformed into PSW where human interaction is less. Payments are collected by the bank. For PD account, any bank can be used. So, port community system services will include different departments like port authority, vessel registration, voyage management, berth management, nautical services, port clearance and shipping line or agent VIR management, e-manifest filing, obtaining of port clearance/NOC, e-payments and terminal acknowledgment VIR, manage vessel arrival and departure, manage delivery orders, electronic load discharge list. In Mercantile Marine Department (MMD), the PCS will manage inspections/surveys, collect fees via e-payments and manage port clearances. Federal Investigation Agency (FIA) will view the crew passenger list, manage crew sign-in, sign-off and manage port clearances. The health department will

manage health declarations, issue limited/free pratique and collect fees via e-payments.

For Customs seal verification, it will allow shipment, manifest management, vessel clearance and freight forward. Here are transporters, importers, exporter containers and MTD. Therefore, through this module of Port Community System, we all will be connected. Everyone will be doing his own work. There will be the least human connection. Work would be assigned to a custom officer or immigration officer. Every department from health to port authorities will be connected through a platform that is called Port Community System.

For this meeting, I thought that we should let the stakeholders know something which is futuristic, something which is digital and something which is in accordance with international best practices. It will be best, it will provide ease of doing business, less time, less fatigue and minimized corruption or no corruption because of less interaction between the stakeholders and the operator. It will be all digital. Thank you very much

PANEL DISCUSSION



**Mr. Bilal ur Rehman,
Chairman
Pakistan International Freight
Forwarders Association (PIFFA)
Replying to a question on the Impact of
corruption on cost of doing business**

PIFFA is an association of about 800 members, involved in the business of freight forwarding and logistics based all over Pakistan. So as an association, of course, it's our intention to make sure that we provide support to our members and work towards the value.

The topic here right now is corruption in the maritime industry. The question is not whether it makes businesses or trade costly. It definitely does, because corruption means some unfair payments are made, right? So, it's adding to the cost which eventually is passed to the end user. Now the different types of corruption are here. We are talking about it in the context of maritime industry but I think we cannot just treat it in isolation because corruption does exist in the private sector also. And there are certain systematic structures like where there is an oligopoly, then if they're involved in excessive charges, I think that's also one sort of corruption when the end user is paying much more and just to give you a recent example, I think all of you who are involved in the maritime sector would know in last two years, shipping companies have consolidated so there are few major carriers left in the world. So, in the last two years due to pandemic after pandemic, there was a surge of exports and international trade that resulted in ten times freight rates going up. And so, something which was costing \$2,000 within a matter of six months was costing \$20,000. Unfair



payments are asked to be made and traders are held hostage to make payments. So that is also one sort of corruption. So, it doesn't just you can't quantify it or you can't isolate it when dealing with governments or government organizations, I think it exists in the private sector. In the end, of course, corruption is there and it costs businesses, societies and countries and it exists in many forms. So as freight forward, we deal with shipping lines, we deal with government agencies and organizations and I think in the Pakistani context it's so prevalent. You cannot take away just the maritime sector. I think maritime sector is a part of society and it is there in all. So as a business person, as a business organization, you're dealing with all different agencies, you're dealing with various sectors and you end up paying much more than which you should because it's creating, it's breeding inequality, is breeding unfair competition. So, I mean this is a good initiative from a Custom point of view. We do appreciate it and I think we can also play a role in that. So eventually I think, it makes a big difference and it cost end-user and anyone who's in this chain, it costs them. The corruption makes it more expensive to work. Thank you.

**Mr. Junaid Mahmood,
Joint Secretary
Karachi Customs Agents
Association**

**Replying to a question on the role of
customs agents on improving efficiency**

I appreciate the initiative of the MACN for the Consultative meeting with all the stakeholders against maritime corruption. I am representing Karachi Customs Agent Association and I am the Joint Secretary of the Association. I would like to give a brief introduction to our association. Karachi Customs Agent Association is a premium association and a truly representative body of the Customs agents working in Karachi with a more than 3000 strong membership base and with an aim to promote trade facilitation at all forums. We are proud to serve the custom maintenance communities for the past 57 years and we are contributing our efforts to resolve the issues faced by the trade. We not only help the government to collect the revenue from the imports in the shape of customs duties and taxes, but we also facilitate 100% of exports from Pakistan. Both the customs departments and the customs agents are working together for the betterment of the business community and we are constantly engaged in bringing enhancements through PSW and WeBOC system and the new initiative taken which is the PCS, the Port Community System. And we are working overall comprehensively to improve the customs clearance process which can facilitate trade and which can bring the cost down for the traders which is more beneficial for them and with the help of the Customs Department, we have initiated several policy changes which have been very fruitful and we have achieved a significant decrease in the dual time of the



customs clearance process. As we all know right now that our country is going through a rough patch pertaining to the economic and financial situation of the country. And after the COVID-19 pandemic, traders have suffered many losses in the past two years due to the inefficiencies of the supply chain which were resulting in higher shipping costs. Businesses are gaining confidence right now, but during these tough economic times their confidence I would say is undermined and they are again seeing a bleak future, not so bright as well. The current financial measures taken by the government are not so favorable for the traders because businesses have to get their financial instruments approved by banks which at least takes more than a month and the shortage of dollars has led to restriction of imports by banks as well, especially for imports against chapters 84 and 85 and 87 as well. Importers need prior approval from banks to clear their consignments, and the delay caused by banks consequently leads to payment of higher demurrages and shipping charges which are for the consignment that is lying in the port area. Besides the hefty demurrages imposed by the ports, the container rent charges, I would say are totally absurd in nature because sometimes they surpass the

value of the container and which is totally unreasonable and can be unjustifiable for the trade. And I would say sometimes shipping companies are also acting like financial institutions and they are charging delay fees like late delivery order fees which are totally unjustifiable for the trade and these charges and fees are mostly related to the imported consignments. On the other hand, when you are following the export consignments

**Mr. Shams Burney,
President, All Pakistan
Custom Bonded
Carrier Association (APCBCA)
Replying to a question on improving
governance at the port operations**

I wish all of us would be on one side. They should have firm point of view about any topic. They should not be playing on both side of the wicket. I do not want to be confused with the meaning of corruption. What is corruption? Is paying bribe a corruption? Using my links with officials is corruption? After Covid-19, many shipping companies closed down, merged, took over by their rivals. Giants came into power. Before Covid-19 they were charging \$600-900 per container and started charging \$11000 per container. Is it corruption?

We heard about "Port Community Service" (PCS). It started from PACS then came in WeBOC and now PCS. A new version has come. This is good for the maritime industry. We all believe that connectivity is increasing because of such a systematic approach. There should be more paperless environment and less human intervention. It should be able to reduce multiple requirements of documents.

where a similar procedure is followed inversely, the charges are very minimal. The customs agents are working as a bridge between the traders and the customs authorities and help the businesses at large. So, I would say the role of the customs agent is very important in the maritime industry and for the business community. Thank you very much.



PCS is computerizing the system. Computerization means speedy work. What port authorities and other concerns are doing to avoid congestion at the port due to lack of capacity at container terminals as we keep receiving containers constantly but they are not getting cleared speedily by the customs officials and if they are cleared, there is congestion at the port gates (asking money). Once it is through the many rounds about on roads network block the containers (traffic jams) as the roads are narrow and cannot take the load of such traffic. The capacity of terminal is questionable. This has increased the dwell time of the ship. Demurrages increased. Container charges increased. Landing cost has gone up. There is a burden on the trade. This congestion issue needs to be solved by the authorities.

I need to know can this forum (MACN) help us in ending multiple tariff rates imposed on us which have enhanced the cost of doing business. Containers may be engaged for 21 days and thereafter charges are applied and a new slab is imposed. The third slab charged us \$80-120 per day after 21 days even though the Delay and Detention Certificate (DDC) is issued by the customs officials owing to the required inspection of the containers. The shipping companies, agents and terminal operators are not recognizing DDC. They are charging an extra amount, hence the cost of doing business is going up.

In the current scenario, actions are taken immediately, if we complain about any custom official. The same is true for customs agents but can anyone make a complaint about any shipping agent? They will bring the most expensive lawyer to deal with the case. Even customs collectors will adopt a defensive position. That's why they are so powerful. Bill of Lading (B/L): Take another example. A CY/CY condition is clearly mentioned on B/L. It has also a freight rebate

Mr. Shahbakht Pirzada,
Associate Partner
RIAA Barker Gillette
Replying to a question on Gaps in
admiralty laws and areas of reforms

Good afternoon, ladies and gentlemen. I will try to address the matters that have been discussed and the matters that I personally have dealt with as a lawyer. Often, whenever we are asked to conduct any kind of legal gap analysis, to figure out what areas of the law that need to be improved? More often than not, the answer is it's not the law that needs to be improved, it's the implementation. It's the misuse of that law. It is how that is applied in practice and what procedures are

stamp on it. As per the condition, the container is to be collected from the yard, whether it is container yard or off dock. Now the shipping company charges Rs. 80,000/- for the delivery order (DO). The terminal is charging Rs. 76,000/- for their service and off dock is asking another 48,000/- for handing over the container. The cost of doing business is going up. Do all have the right to collect this money? Can we call it corruption? Now they are asking shippers to submit an affidavit that they will pay this amount to them. It is illegal. It is a violation of international law.

A year and a half ago, the hue and cry were made for Pak Rs. 17 billion for Afghan transit container detention charges. The powerful committee of the national assembly could not do a bit. They changed the law and asked to process and collect the containers from off Dock Terminal. They have become giants and we are facing them. We all need to join together and speak about such issues. Whenever you will call me, I will come. We will all speak up together. Thank you.



followed in practice and have had a couple of years in the industry and have dealt with various issues of maritime law are a couple of

things I'd like to raise or I'd like to share with everyone. In my experience, there may be many more issues, but these are the issues that I faced and they're very serious issues. One of the issues, I think it was mentioned earlier that we would talk a bit about short landing claims because I think short landing claims are one of the most problematic areas right now. Mostly we're talking about liquid cargo. When the cargo is inspected, when that joint survey is carried out at the tank, there's some sort of short claim about whether that's because the pipelines are defective, whether it got diverted elsewhere or whether the ambient temperature changed to change the volume. There are multiple reasons, some legitimate and some not. But what we've seen happen is that claimants will take that claim to the court and they will rather easily obtain an order from the court to arrest the vessel. This has become such a nuisance for vessel owners that they have actually started building in the cost of these claims. We have the admiralty jurisdiction of the high court's ordinance 1980. It says the high court has jurisdiction. Unfortunately, there was a judgment of the high courts in the 1990s which suggested that despite this ordinance, any civil court can actually make this kind of order. And out of fear of getting some sort of illegitimate order for arrest, the vessel owner wants to settle. Of course, they've built in that cost for settlement already, but it's become a nuisance, a nuisance that needs to be addressed. It needs to be addressed not necessarily by legislation, but by the courts themselves. We need the stakeholders to take a proactive approach in going to the courts and getting this issue resolved. That civil court should not be getting involved in this matter. This is just one example, another example that I recently came across and I know that some of the container terminal

representatives are here, so they may not like what I have to say but sometimes we've come across situations where container terminals are misusing the rights that they've acquired under concession agreements. Not saying everyone does it, and I'm not saying that those rights are illegitimate. So, the government will always give you some exclusivity period for so many years still your throughput reaches a particular amount, whatever the conditionality of that exclusivity may be. We often see those exclusive rights being misused in a way they were not intended to try and earn revenues beyond what that terminal is doing or beyond what that terminal is actually supposed to be doing. And because of that, you have all these illegal charges, these NOC charges and various other charges that container terminals end up charging, which are not even part of the concession agreement, and they all seem to try to charge them under their exclusive rights. Unfortunately, the authorities that should be addressed are the port authorities and they don't, they take a step back. They want the private entities that actually face these charges to be at the forefront. And that's unfortunate, but again, it's an issue of the implementation of those rights. A third issue was briefly addressed by one of the earliest speakers, this was the issue of labor, which has been a thorn in the sides of many an industry. To some extent, yes, labor rights are supposed to be protected. Labors are allowed to unionize; they should be allowed to unionize. But what we are seeing with certain labor unions is the very formation of those unions is illegitimate. Businessmen get affected by the actions taken by unions of other industries. They call strikes, they bring everything to a standstill and when you go and challenge their registrations of course, many times the registrations are obtained

from the government without notices being issued to anyone, without even verifying whether this labor is actually doing work in a particular industry which has mostly become mechanized now. Yet those registrations are obtained. If you challenge those registrations, those same workers will go and obtain an alternate registration and show up a few weeks later with another registration and the right to call a strike. That needs to be addressed at the provincial government level specifically because they are the ones that are supposed to be regulating these unions. But unfortunately, once again, the regulator is not at the forefront of solving this issue. Another issue that has been at the forefront and has been impacting the whole country for several years now has been the import of coal. Over the past five years, I myself have been a project council for several coal-fired power plants, which were set up with the anticipation that our use of coal will increase. And yet at the same time, you can't import coal at one of your major ports in Karachi. And how did that situation come about? Because the courts had to get involved in a situation, grievances were made to the courts that this coal is causing health problems. There are mitigation measures for that. There was no one there in court to

argue for those mitigation measures. There are alternate solutions to be made on how coal can be imported but somehow a situation has come about one way or another where you essentially have a monopoly on the handling of coal at import in Pakistan where it shouldn't exist, then where your regulator that's supposed to control monopolies, your competition commission tries to do something about it, that matter again goes back to court and again, I would say blame falling on both the courts and the regulators, that matter continues to remain pending in court for the last three years. Out of all four of these issues that I've raised, the common thread appears to be a lack of proactivity from the regulators. Yes, there are other issues as well, and I would also say the courts should shoulder a significant amount of blame for that. But till we don't fix that proactivity issue, we won't really be able to address any of these things and these are just the issues that I've dealt with. If you speak to any other lawyer, I'm sure they'll have a completely different list of issues that they've dealt with equally as significant.



**Mr. Najib Balagamwala,
Chairman
Seatrade Group**
**Discussing the issues and solutions in
shortage claim**

Two years ago, this initiative of Collective Action against Corruption in the Maritime Industry in Pakistan commenced. Mr. Fasihul Karim Siddiqi came to us and briefed us about it. We welcomed him, supported him and will keep offering our help. I am in the business for the past 46 years and have extensive

experience. I have been in touch with many customs officials and it is good to see a lady like Ms. Alia Shahid, as Director General of Ports & Shipping. I welcome her here. We are dealing with dry cargo. We are not charging any hidden costs. For small ships, we charge Rs. 1000/- and for big ships, we charge Rs. 1500/-. We never had any problem with customs or any port authority in the past. In the business of dry and bulk cargo, usually, we do not have shortage issues. Be it wheat, coal or sugar, etc.

In the edible oil import in Pakistan, in 80's the shipping agents were charging \$ 2000 for a ship now tremendously high charges are being taken openly by them. This can be verified by checking their accounts.

The shortage issue in edible oil is only due to one lawyer. He is filing hundreds of cases in the lower court. He has connections there and uses them.

The calibration of the terminals is not done for the past many years. Customs papers do not show any sign of shortages. But this lawyer is creating a problem.

For that, all business people would have to join hands together and speak about it. That is our power and that is the power of Collective Action. This will show the results. We need to enhance our speed a bit more. My judgment over a period of time is that there are honest people in abundance in customs, cargo handling, immigration and shipping agencies, etc. But this is not the case. The case is of incompetencies. We need to improve our competencies everywhere to avoid such issues of corruption.

We have to change our worth. It does not change by itself. Thank you.



Ms. Alia Shahid, Director General Ports and Shipping – Guest of Honor

First of all, I find myself really privileged to be part of this soft launch. I think this is one area where we all agree that this manner should be done away with. I won't take much time but will discuss two important aspects. First the Maritime Administration architecture and infrastructure in Pakistan and secondly few thoughts about anti-corruption. When it comes to the Maritime Administration in Pakistan, basically we have quite an integrated and extensive infrastructure. When it comes to the legislative framework, we have an overarching Merchant Shipping Ordinance 2001, which is an improvement and amendment of the Merchant Shipping Act 1923 and it is again under sort of improvement and amendment, bringing about two or three major changes both at the international level and the national level. Internationally, we are in the process of signing the Merchant Labor Convention so this Merchant Shipping ordinance is bringing those changes. Similarly, the Nairobi convention and things like that are also being amended. When it comes to the institutional

architecture of Maritime Administration of Pakistan, the top of it is Ministry of Maritime Affairs which under the rules of business is interested in the maritime Administration under the Maritime Shipping Ordinance and also Director General of Ports & Shipping is an outreach office of Maritime Ministry. It is also part and also, it's a wing of the Ministry of Maritime Affairs. DG Ports & Shipping is taking two aspects of the Maritime Administration. One is the manning aspect, which means the people who are going to the ship as the seafarers. But now we are replacing this word from Siemen and these include their examination, their service books and then other aspects. The welfare aspect is also dealt with in the DG Port and Shipping. The other aspect comes is the surveys and the registry of the ships. So, every ship needs to be registered with MMD and also the government shipping office is providing the seafarer with modes of print. This is a major sort of aspect of the Maritime Administration. Coming to the very topic of today, I would like to share a few thoughts with you. If we put corruption at one that one fine morning, you'll find yourself crossing the bridge and moving to the other side. But I think there are a few indicators which of a continuum then and good governance at the other end of the continuum, definitely there are many shades. It's not possible it can be taken like there are four indicators, transparency is one, and responsibility is second, accountability and responsiveness are also there. Transparency is in the systems, in the processes and in the way the people are working. Then there comes the responsibility of who is supposed to do what and then where there is negligence, accountability mechanism and processes are there to take care of the loopholes and things like that. And last of all is responsiveness. The first three indicators can be taken as static or

as zero but the fourth one is the live thing. It's the responsiveness to the people's needs, to the country's needs and to the outside external needs. So. these four indicators, if we put them on the other end of the continuum, I think one thing that can sort of make us move to the other side of the river or the better side of the river is digitalization. I think one area which Pakistan has done is this port community system. There are other systems; I don't think there is any other way we can move toward that intent is very much there. But these systems like they take away the discretion from the officers, from the officials and I think if we all agree and if we all sort of commit ourselves to the fall to following the system. I'm not saying the bureaucrats are bad or the port authorities are bad, this rot is everywhere. We all need to understand as we need to say aloud that we all are part of this. So, if one is taking a bribe, there is one who is giving it and giving means it's definitely there are some systemic issues, systemic problems that can be done away with, but at the same time there is something that is making him or her to give this bribe. So, these are a few thoughts that I wanted to share with you. And again, I really wish the very best to GCNP and MACN because this is one area we need to work on. It's sort of an existential crisis for us and I joined it around three weeks back but looking at the examination side, looking at the registration side, there are so many things where we need to improve and if we don't, we'll have to share the burden. So, with these words, I really wish well you for the project and we will look forward to meet again. And secondly, I would really thank all the panelists very informative, at least for me, I really learned from you. Thank you very much.

**Mr. Jonas Erlandsen,
Senior Lead
South Asia MACN**

**Discussing Success stories in combating
corrupt practices in Nigeria, Egypt and
Ukraine**

Good afternoon and thank you for having me here today. It was a pleasure to hear from all the Panelists and the Guest of Honor. I think we broke really good ground here today and I was very excited to see the topics that were discussed. To compare to some of the other campaigns we have done across the globe and to give some inspiration as to what can be achieved. I would start by sharing our experience with some very specific incidents. Our campaign in general handles all types of corruption, small and large but the most notable stories are those that have a very concrete and specific problem. In Argentina, for example, we had an issue with the clean hole inspection on grain export vessels that were coming to Argentina. And our members made us aware of this issue because it made it very difficult for the owners of the vessels to accept the risk of going to the country. And this problem increased the freight rates because they had to cost a risk premium. Also, the price itself for these clean hole certificates which were given illegally were very large amounts in US Dollars. So, one thing is fewer owners have the opportunity to go to the country and that drives up the price itself. And those who go to the country have to put a risk premium on that charter and that in turn increases the price of all rice and that hurts the end user. So, it was an issue that in the end, common people had to pay for. And the way we went about it was we made a collective action such as we're doing in many other countries and also in Pakistan now. And we narrowed in on the specific issue and brought everyone together to start with, just



as we are doing here now. After that, the hard work obviously begins to find out where there is a hole in the system, and then you work together to patch it and come out on the other side with a better solution. And in Argentina, it involves making a new IT system that would make these reports very transparent and it also required more than just the single surveyor to be part of the process. So, the issue in Argentina was that there was a monopoly on these clean hole certificates, the issuing inspectors, and that was what created the problem. And that was dealt with by bringing all the stakeholders together, both the owners and the agents and the authorities. In Argentina, when we look at a broader initiative, a broader solution, we have what is called a helpdesk, where the owners can call us if they are facing any illicit demands, on board their vessels in the country they arrive in. And this is something we've had very great success within Nigeria, which is our other case. We have implemented our Help desk in Nigeria and have operated for a while and we have solved hundreds of cases. What the Help desk does it is a collaboration between the government of Nigeria and MACN and that means that the owners will call us if there are any authorities on board with any illicit demands, and we can escalate that incident within the government of Nigeria and then they handle the issue from their side so this is a public-private partnership that has shown

to be extremely effective in not just eliminating the issue, but also creating trust between the parties and this has helped trade grow in Nigeria. And we hear from all our members that they see Nigeria as a lower risk than it was years ago before we had this set up. So, it's a really positive development in the perception of doing trade in Nigeria. And that's something that is benefiting Nigeria immensely. The last example I want to give is another public-private partnership example, and that's in Egypt. We've worked for a long time with the Suez Canal Authorities to eliminate corruption in the passing through the Suez Canal and initially, we did so without having the full support of the Suez Canal Authorities. We had the support of them having their own anti-corruption policy and they allowed us to operate from the headquarter. But it was only recently at our membership event, where we signed an MoU with the Suez Canal authorities, where we will work together on the issues. So they will allow them access to some of our information and then they will in turn give us some of their information and we can work together on a common solution. So, these public-private partnerships we grow over a long time and are something that I also expect we will see in Pakistan. That is because initially the most people that come to the table in this discussion are our members and the private stakeholders and then slowly the voice of the anticorruption grows and we can find these solutions and work together. But I'm very excited to see so many stakeholders here today and we will be coming to Pakistan early next year where we will set up more events where we can come together and speak on the issues and then hopefully work on some sort of solutions also if needed. That was three success stories from around the world of MACN and I wish you all a

prosperous new year. I thank you all for your time. Thank you.



**Mr. Wajid Ali,
Director General
Pakistan Customs Academy –
Guest of Honor**

Thank you, Global Compact Network Pakistan, for providing me the opportunity of concluding the address. It was very heartening to know during the consultative meeting that people had positive feedback about Customs since I am representing the department here. So, the primary reason for that, I would say is the level of digitalization and automation that we have been able to achieve in customs is the primary driver behind this change that you see in our service delivery. I would think that the concept of transparent governance is very relevant to today's consultative meeting. We at Customs Academy have now adopted it as a proper subject in our discipline and transparent governance means that the government department should act openly in a transparent manner. Whatever is being done with the clients, they should be intimated about the results in an open manner and nothing can do more in delivering this objective than the digitalization and automation initiatives. The idea is to reduce

the physical interface between Customs and importers and exporters and customs agents, primarily through online services and also through risk management. We currently are clearing almost 50% of import cargo through Green Channel and almost 80% of export cargo through Green Channel. The green Channel means that customs at the port do not interfere with the clearance of the cargo. Neither any cargo is examined nor any

documentary check is performed. And this is basically because of the good profile of those importers and exporters. So, I would not take much time. Customs is very much alive to the topic and we in Customs Academy will be more than happy if a seminar is arranged at our premises. We'll be able to invite more customs officers there and you can enjoy our hospitality there. Thank you very much.



LIST OF PARTICIPANTS

NAME	DESIGNATION	ORGANIZATION
Syed Tanvir Ahmad	Project Advisor	Global Compact Network Pakistan
Syed Shams Burney	President	All Pakistan Custom Bonded Carrier Association
Shahbakht Pirzada	Partner	RIAA Barker Gillette
Najib Balagamwala	Chairman	Seatrade Group
Junaid Mahmood	Joint Secretary	Karachi Customs Agents Association
Bilal ur Rehman	Chairman	PIFFA
Majyd Aziz	President	Global Compact Network Pakistan
Jonas Erlandsen	Senior Lead, South Asia	Maritime anti Corruption Network (MACN)
Mathias Bak	Associate	Maritime anti Corruption Network (MACN)
Honnak Baloch	Additional Collector	Pakistan Customs
Alia Shahid	Director General	Ports & Shipping
Wajid Ali	Director General	Pakistan Customs Academy
Fasihul Karim Siddiqi	Executive Director	Global Compact Network Pakistan
Muhammed Anis	SVC	All Pakistan Paper Merchants Association
Favad Soomro	Head	Engro Foundation
Shah Zaman	Managing Director	Zaman Agencies (Pvt.) Ltd.
Madiha Javed	Head of Corp. Communication	Bank Alfalah
Talha Hyder	AM Corp. Communication	Bank Alfalah
Zafar Alam	Director	Trans Group of Companies
Capt. Syed Farrukh Ali	G.M Operations	Trans Group of Companies
S.M. Zeeshan	Manager Operations	Trans Group of Companies
Muhammad Younus Soomro	CEO	Fine Services
Qazi Zahid Hussain	President	Pakistan Afghan Joint Chamber
Muhammad Rizwan	Head of Compliance	QICT
Mirza Shahid Beg	Executive Director	Legal Aid Center
Shariq Mirza	Information Secretary	Karachi Customs Agents Association
Dr. Mustaghis ur Rehman	Associate Dean / MS Professor	Bahria University, karachi Campus
Murtaza Ali	Director	Global Logistics
Kiran Zubair	CEO	Theory Y
M. Younus Vayani	Director	Ocean World (Pvt) Ltd.
Ahmed Raza	Director	Legal Aid Center
Shabnam Minhas	SVP Senior Banks	Ex Banks & Consultant
Syed Nazar Ali	Secretary General	Employers' Federation of Pakistan
Mazher ul Haq	Taxation Manager	Tanvir Associates
Zeeshan	Office Assistant	Tanvir Associates
Zainab Fatima	IT Coordinator	Global Compact Network Pakistan
Maheen Anwar	Executive Coordinator	Global Compact Network Pakistan
Muhammad Hassan	IT Manager	Global Compact Network Pakistan
Muhammad Akram	Project Manager	Global Compact Network Pakistan
Debaaj Abidi	Membership Executive	Employers' Federation of Pakistan
Sammit	IT Manager	Employers' Federation of Pakistan
Murtaza Naqvi	Finance Manager	Employers' Federation of Pakistan
Shahbaz	Office Assistant	Employers' Federation of Pakistan

PRESS RELEASE

GLOBAL COMPACT NETWORK PAKISTAN EMPHASISES UPON INTEGRATED EFFORTS BY STAKEHOLDERS TO ADDRESS ISSUES OF CORRUPTION IN MARITIME INDUSTRY

(Karachi - 28th December 2022): “Transparency, responsibility, accountability and responsiveness are the four indicators put at the other end of the continuum from corruption to governance which can help address issues of corruption in Maritime Industry”, this was stated by Ms. Alia Shahid, Director General Ports and Shipping who was speaking as the Chief Guest at the Consultative Meeting on Collective Action against Corrupt Practices in Maritime Industry organized by Global Compact Network Pakistan in collaboration with Maritime Anti-Corruption Network (MACN). She further added that massive reforms were underway in improving the regulatory framework, particularly laws relating to seafarers, survey inspection, registration and other issues.

Mr. Wajid Ali, Director General Pakistan Customs Academy in his remarks as Guest of Honour on the occasion stated that Transparency, openness and communication coupled with digitalization and IT initiatives have gone a long way in improving corrupt practices in customs handling. He appreciated the efforts of Global Compact Network Pakistan and MACN in taking up the challenge of collective action by bringing the stakeholders together and working with them to address the challenges and barriers in the way of addressing issues of corruption. He assured that the services of the academy would always be available for supporting the noble cause.

Earlier Mr. Majyd Aziz, President Global Compact Network Pakistan in his video address thanked the stakeholders for showing their interest in developing a collective approach to address the issues of corruption which was causing immense loss to the exchequer and the economy and was the biggest barrier in Pakistan’s growth in the blue economy.

Mr. Mathias Bak, Associate MACN presented an Introduction of MACN and gave an overview of MACN activities in addressing corruption issues in Pakistan in partnership with Global Compact Network Pakistan which was followed by a video presentation on the working of MACN.

Mr. Fasihul Karim Siddiqi, Executive Director Global Compact Network Pakistan gave an overview of the collaborative GCNP/MACN Project and emphasized that an integrated approach of stakeholders through collective action can address the menace of corruption in the Maritime Industry. He said that instead of playing the blame game it was necessary for all stakeholders to make a genuine effort to convert poor practices into best practices so that the Maritime Industry can grow both in size and reputation as a corruption free business.

Mr. Honnak Baloch, Additional Collector (Enforcement) Pakistan Customs in his presentation explained about the Port Community System (PCS) as an electronic platform that connects the multiple systems operated by a variety of organizations that make up a seaport, airport or inland port community. Explaining the vision for PCS Pakistan and its services, Mr. Honnak Baloch expressed the hope that initiatives like TRS and PCS under the Pakistan Single Window (PSW) were important to be replicated in other areas for bringing improvement and combatting corruption in the industry.

The session also included a very informative and communicative Panel Discussion in which panelists namely Mr. Bilal ur Rehman, Chairman Pakistan International Freight Forwarders Association (PIFFA), Mr. Shams Burney, President All Pakistan Custom Bonded Carrier Association (APCBCA), Mr. Najib Balagamwala, Chairman, Seatrade Group, Mr. Junaid Mahmood, Joint Secretary Karachi Customs Agents Association (KCAA), Mr. Shahbakht Pirzada, Associate Partner RIAA Barker Gillette and Mr. Tanvir Ahmad, Ex-member Customs and Project Advisor participated. The panelists during their intervention expressed their candid views on the Impact of corruption on cost of doing business, Role of customs agents in improving efficiency, improving governance in port operations, Gaps in admiralty laws and areas of reforms, Issues and solutions in shortage claims and other areas needing improvement in governance and operations while

addressing the challenges of corruption in Maritime Industry. The Panel Discussion was moderated by Mr. Muhammad Akram, Project Manager.

Mr. Jonas Erlandsen, Senior Lead South Asia MACN in his intervention appreciated the efforts of Global Compact Network Pakistan in promoting the collective action agenda in Pakistan. He also gave an overview of success stories in combatting corrupt practices in Nigeria, Egypt and Argentina. He expressed the hope that with the collective action efforts, the Pakistani stakeholders would also succeed in developing success stories in combatting corrupt practices in Pakistan.

Mr. Muhammad Akram, Project Manager presented a Vote of Thanks which was preceded by the Presentation of Mementos to the Guest of Honour and Panelists.

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Global compact network Pakistan Emphasises upon integrated efforts by stakeholders to address issues of corruption in maritime industry

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Integrated efforts needed to address issues of corruption in maritime industry



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کراچی: یو این جیو نیٹ ورک پاکستان اور میری ٹائم اینڈ مارٹائم کرپشن نیٹ ورک ڈیٹا مارک کے مشاورتی اجلاس کے موقع پر حکومت اور نجی شعبے کے اسٹیک ہولڈرز کا گروپ



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جلد 51 شمارہ 14 | پینٹ 21 جمادی الثانی 1444ھ | 14 جنوری 2023ء | قیمت 20 روپے

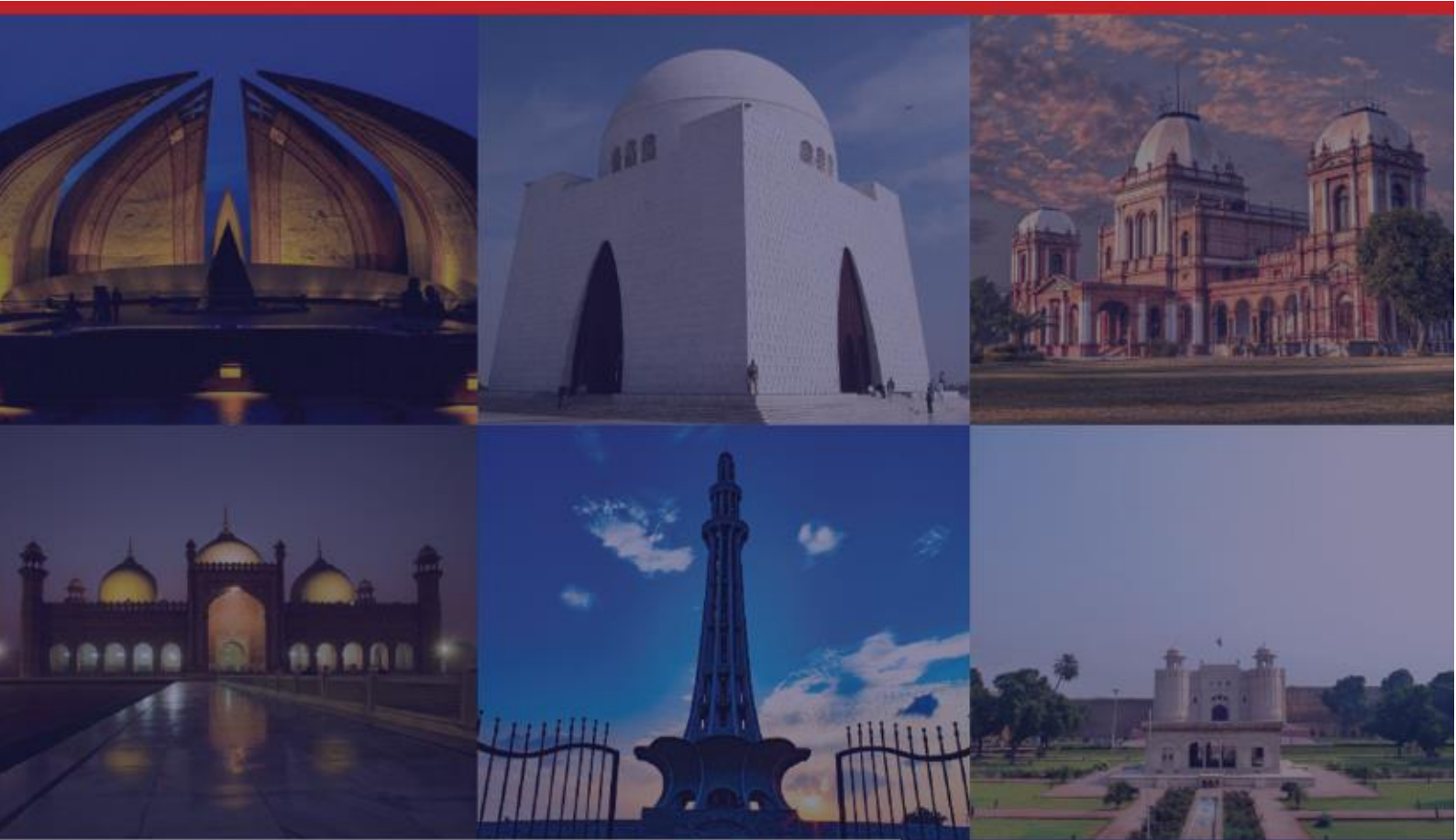


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PROCESS FLOWCHART OF PORT CLEARANCE

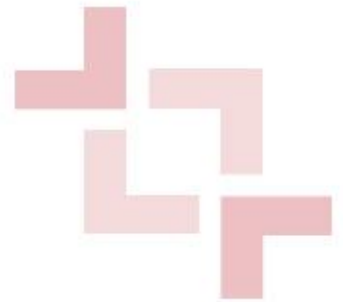
PROCESS OF CLEARANCE IS INDICATED THROUGH THE FOLLOWING FOLLOW CHART





Designed by:

Zainab Fatima, IT-Coordinator
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