

April 19, 2020

**MNSC Calls on Ministry of Transport to Intervene to Waive Demurrage and Detention Charges Imposed by Shipping Lines during Movement Control Order Period**

The Malaysian National Shippers' Council (MNSC) commends the Malaysian Government's efforts through the Movement Control Order (MCO) which has been extended to April 28, 2020 to contain the further spread of the COVID-19 outbreak and acknowledges the challenge to balance concerns of health and economic security in light of the current unprecedented challenging period.

Although port and shipping activities have been identified as essential services and will remain operational, all other economic activities unless deemed essential or under the additional sectors allowed to operate during MCO will be required to close all operations including production and all logistics and warehouse activities as it is prohibited during the MCO period. The MCO, besides denying production, has also restricted both import and export activities with an estimated export loss recorded at RM4.7 billion by 453 respondents of the recent Federation of Malaysian Manufacturers (FMM), a member of MNSC, *Survey on Impact of MCO on Trade*. As such, cargo upon arrival in ports cannot be moved out of the ports unless they have been classified as essential or critical goods and an approval has been obtained from the Ministry of International Trade and Industry (MITI).

We thank the Ministry of Transport (MOT) for implementing four phases of special cargo clearance from ports held on March 27 – 29, 2020, April 4 - 7, 2020, April 13 – 15, 2020 and April 20 – 23, 2020. The special exemption for movement of cargo to and from ports have greatly elevated port congestion and facilitated companies with cargo in the factory warehouse to be exported to meet urgent contractual commitments.

We greatly commend the timely intervention by Ministry of Transport (MOT) to urge port authorities to waive port related charges as this has led Port Klang, Johor and Sabah port authorities to grant waiver on port storage charges during this extended MCO period. This move has elevated greatly the burden of financial losses that shippers will need to bear during this difficult period. In consideration of another plight face by shippers, MNSC calls on MOT intervention again this time with the shipping lines to urge them to waive all demurrage and detention charges due to delays in collection of the cargo until the end of the MCO period. These charges can amount to a significant amount and will be passed directly to shippers/ manufacturers. This measure is an important step to ensuring shippers ability to cope and their survival during this unprecedented period failing which there would be detrimental impact on the overall economy.



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Malaysian National Shippers' Council

# PRESS STATEMENT

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## **About MNSC**

The MNSC was established in 1972 and members consisted mainly from the commodity based exporters. Among the objectives of the Council are to protect, represent and promote the interest of Malaysian exporters and importers, producers, manufacturers, trade and industry associations and commodity based associations in relation to the transportation of goods. FMM has taken over the Secretariat of the Malaysia National Shippers' Council (MNSC) from the Ministry of International Trade and Industry (MITI) effective June 2015.

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