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FIEO urges govt to provide freight support to all exports including pharmaceuticals till March 2022

The Federation of Indian Export Organizations (FIEO), an apex body of Indian export promotion organizations, has urged the government to provide freight support to all exports including pharmaceuticals till 31st March 2022, as freight rates have skyrocketed and are likely to somber by March 2022.

Over the past one year, there has been an exceptional rise in freight costs that has significantly affected the Indian pharmaceutical industry. The outward freight costs have risen by 14 percent. The cost of inward freight of imports has increased by 50 percent.

Besides this, the industry has been plagued by scarcity of empty containers. The shortage of containers has hit the export of pharmaceuticals from all ports to different countries.

FIEO president Dr A Sakthivel said though the government has announced a slew of measures to support exports, the need of the hour is to provide freight support to all exports till 31st March 2022 as freight rates have gone up significantly.

He further said augmenting the flow of empty containers and establishing a regulatory authority to seek justification of freight hike and imposition of various charges by the shipping lines need urgent intervention of the government.

Dr Sakthivel welcomed the steps taken by the government under the able and dynamic leadership of Prime Minister, Narendra Modi and the Union Finance Minister and the Union commerce & industry and textiles minister for showing confidence and trust on the exporters.

Echoing his view, Sandeep Modi, secretary, Federation of Pharma and Allied Product Merchant Exporters (FPME) said "Container shortage and high shipping freights are impacting domestic exporters and both these matters need attention of the government as we are targeting US\$ 29 billion pharmaceutical exports in the current financial year."

Exports of drugs and pharmaceuticals during the month of October have declined by 0.91 per cent at US\$ 2060.09 million as compared to US\$ 2078.92 million during the same month of last year.

Earlier Indian Drug Manufacturers' Association (IDMA) had sought the intervention of the Union commerce ministry to address the issue of container shortage faced by the pharmaceutical exporters since April 2020.

Reference:

<http://www.ingredientssouthasia.com/News/fieo-urges-govt-to-provide-freight-support-to-all-exports-including-pharmaceuticals-till-march-2022>