



VAFA FRESH VEGETABLES & FRUITS EXPORTERS ASSOCIATION  
C/O. M/S. Asar Brothers, Plot No. C-496, MIDC, TTC Industrial Area, Pawane, Navi Mumbai 400 705.  
C.I.N. U01100MH2017NPL301052

TO,  
Director (P&S, Tariff)  
Airports Economic Regulatory Authority of India (AERA),  
AERA Administrative Complex,  
Safdarjung Airports,  
New Delhi – 110003,

Date : 30/11/2022

Sir,

**Subject:** Comments on Consultation Paper No. 12/2022-23 dated 14.11.2022 ---regarding.

Reference is made to the Consultation paper no 12/2022-23 dated 14-11-2022 issued by AERA in the matter of determination of tariff for Cargo Handling Services for M/s Celebi Delhi Cargo Terminal Management India Pvt. Ltd (CDCTM). at Indira Gandhi International Airport, Delhi for the third control period (FY 2021-22 to FY 2025-26), as displayed on AERA web site.

The same has been duly perused by our members.

Perishables is considered among the most taken-for-granted items that people consume around the world in more normal times. But their importance – and those who sell and transport them – has been cast into the spotlight in the course of the COVID-19 pandemic. Fears of potential food shortages led consumers to panic buying, but have led more widely to a greater appreciation of simply having access to fresh food and the process that brings it to its consumers.

During the Covid 19 period, the Air Freight charges reached its astronomical high. This hike in the perishable cargo transportation led the perishable exporters lose out in the global market. Air freight rates accounts for more than 40 per cent of the total cost and our association(s) has been seeking government intervention. Air cargo rates to move perishables from India to European destination had spiked almost 200 percent from 80 rupees per kg to 250 rupees per kg.

At this juncture, when the perishable industry was expecting a hand holding from the Govt of India for its revival with reduction in the tariff and discounts, AERA has submitted the said consultation paper for the comments/observations of the stakeholders.





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**Update on the projects/infrastructure creation/upgradation.**

AERA approved the Annual Tariff Proposal for Tariff Year 4 and 5 (FY 2019-20 and FY 2020-21) of the Second Control Period (01.04.2016-31.03.2021) of M/s Celebi Delhi Cargo Terminal Management India Private Limited for providing Cargo Handling services at Cargo Terminal, IGI Airport, New Delhi considering the information that Celebi has planned investment of Rs 115 crores in the current control period and more for other projects.

However, the said consultation paper fails to provide an update on the status of these planned investments.

**Hike in TSP charges for Perishable cargo**

AERA has proposed Rs 5.04 per kg as TSP charges for perishable cargo as compared to TSP charges of Rs 1.69 per kg for General cargo, a difference of almost 200%. This hike in TSP charges will raise the transportation cost to such an extent that it will be almost impossible for the Indian perishable trade to compete in the global market and will ultimately loose out on the business in the overseas market.

**Recommendations:** It is recommended that Perishable/Special cargo tariff may be at par with the General cargo so that our members are able to provide competitive pricings to the global market for their perishable goods thereby earning substantial foreign exchange for the country.

**Hike in X ray machine charges.**

These charges are levied for use of x ray machine for screening of the export cargo in accordance with the BCAS laid down guidelines. On perusal of the said consultation paper, it is observed that the tariff is revised every year from Rs 1.51 per kg (Minimum charge Rs 182/-) for FY 21-22 to Rs 2.04 per kg (Minimum charges Rs 245.07) for FY 25-26, whereas the cost of the X ray machine depreciates every year.

**Recommendations.** It is recommended that the X ray machine charges may be reduced each year in the tariff chart as per the depreciated cost of the x ray machine.







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**Movement of perishable cargo as 'Domestic to International' transhipment cargo**

Presently, the perishable cargo after x-ray screening and LEO at Domestic Airport of Departure, moving as domestic bonded cargo is being x ray screened again at IGIA Airport (Airport for international departure), leading to payment of double x ray charges for the single perishable shipment i.e., once at point of domestic departure and another at the point of international departure.

**Recommendations:** It is suggested that bonded perishable cargo, moving as 'Domestic to International' transhipment, once x-rayed at Airport of Domestic Departure should not be subjected to 2<sup>nd</sup> X ray screenings at Airport for international departure.

**ASSOCIATION RECOMMENDATIONS**

- **Penalty/discount in TSP/demurrage charges and other type of charges for delay in delivery of cargo.**

The tariff chart may stipulate the time period for each activity/service proposed to be provided by the CTO. The tariff chart should include penalty/discount in TSP/demurrage charges and other type of charges for any delay in processing/delivery of cargo on the part of CTO, to the shipper.

- **Levy of single "rate per kg" for all type of cargo.**

In order to have complete transparency of the levy of charges on handling of both international and domestic by the Cargo terminal Operator and avoid duplication in levy of the charges, our association is of the opinion that Cargo Terminal Operator (CTO) may be advised to have a **single "rate per kg" policy** for handling of all type of cargo for the levy on shippers/consignee(s), which will include all gamut of activities/services required to be performed/provided for handling of both international (Export/Import) and Domestic (Inbound/outbound) cargo at their Cargo Terminal, **irrespective of nature/type of cargo** i.e. treating Perishable cargo at par with General cargo for determination of Tariff.





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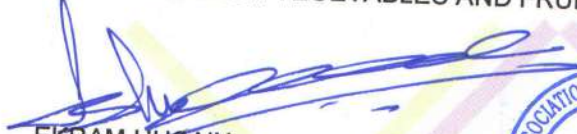
This will boost the perishable cargo movement through Air and make it more competitive in the global market for Indian exporters.

The above-mentioned suggestions/recommendations will not only help in augmenting farmers' incomes but will also act as a small step towards making India 'Atma Nirbhar' in the perishable sector.

It will provide a big boost to the growth of related infrastructure and help in streamlining the perishable cargo supply chain, generate direct and indirect employment opportunities in rural areas, provide better prices to farmers and end-users, and benefit allied sectors.

In view of the above, AERA is requested to review their recommendations on the levy of charges as submitted vide above mentioned Consultation Paper.

FOR VAFA FRESH VEGETABLES AND FRUITS EXPORTERS ASSOCIATION

  
EKRAM HUSAIN  
(VICE PRESIDENT)

