

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:1985
ANSWERED ON:30.11.2000
SHARE OF INDIAN SHIPS IN INDIAN OVERSEAS TRADE
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO

Will the Minister of SHIPPING be pleased to state:

- (a) the details of share of Indian Ships on Indian Overseas made during the last three years, year-wise;
- (b) whether the share of Indian Ships is reducing every year;
- (c) if so, the reasons therefor;
- (d) whether the Government are laying emphasis to promote Indian Shipping Industry; and
- (e) if so, the incentives granted or proposed for the purpose?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI HUKUMDEO NARAYAN YADAV)

(a) The detail of the share of Indian ships on India's Overseas Trade during the last three years is as under:

Year	Trade (in Million Tonnes)
1996-97	51.28 (29.8%)
1997-98	63.53 (31.4%)
1997-99	62.61 (30.8%)

(b) & (c) No, Sir. The share of Indian lines has not been reducing but it is stagnating in the range of 30-31%. However, in terms of quantity carried, the quantum of cargo has gone up during the decade.

(d) & (e) With a view to promoting the Indian shipping industry, Government has taken various steps. These include:

- (i) Introduction of automatic approval for acquisition of ships.
- (ii) Shipping companies have been permitted to retain sale proceeds of Indian ships abroad for utilization for fresh acquisition.
- (iii) Freedom to time charter out Indian ships to foreign companies for employment in international cross trade.
- (iv) Allowing shipping companies to acquire vessels on charter-cum-demise method (similar to hire purchase system).
- (v) Age norms for acquisition of second hand vessels have been further relaxed.
- (vi) Import of large vessels have been placed under open general licence w.e.f. 1.4.1997.
- (vii) Section 33 AC of Income Tax Act has been restored from 1.4.2000 in its original form which benefited to shipping industry.

In addition to the above, action is in hand to consider to extend further the following fiscal and financial incentives to the Shipping Industry :

- (a) Tax relief to Indian seafarers.
- (b) Enhancement of depreciation rate from 20% to 40%
- (c) Infrastructure status to Coastal shipping
- (d) Introduction of Tonnage Tax in lieu of Corporate Tax.