

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:1524
ANSWERED ON:13.03.2002
SHIPPING POLICY
SAHIB SINGH VERMA

Will the Minister of SHIPPING be pleased to state:

- (a) the component of shipping policy with outlines of each important points;
- (b) the recommendation made by the `Pinto Committee` with regard to `New Shipping policy`;
- (c) the number of harbours in the country, with physical and financial dimensions of each; and
- (d) the share of public & private sector funds in each harbour?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SHRIPAD Y. NAIK)

(a) : Salient feature of India`s shipping policy are

- (i) promotion of national shipping to increase self reliance in the carriage of country`s overseas trade and
- (ii) protection of various stakeholder`s interest in Export-import trade.

(b) : Pinto Committee submitted its report in July,1997.The Committee had made 31 recommendations in all. The details are Annexed.

(c)&(d) : The information is being collected and will be laid on the table of the House.

ANNEXURE REFERRED TO IN REPLY TO PART (b) OF LOK SABHA UNSTARRED QUESTION NO. 1524 FOR ANSWER C
13TH MARCH,2002 BY DR. SAHIB SINGH VERMA

List of recommendations made by Pinto Committee:-

1. Shipping Industry be recognized as Export Industry.
2. Shipping Industry to receive all fiscal and financial benefits available to export Industry.
3. Restoration of Section 33AC in its original form.
4. Enhancing depreciation rate for Shipping Industry and bringing it at par with other modes of transport.
5. Tax benefits to Indian Seafarers on Indian flag vessels.
6. Remuneration for shipboard service should be treated as foreign source income accrued and earned overseas.
7. Relaxation in maturity period of ECB and Simplification in ECB procedure and expeditious clearance thereof for ships acquisitions.
8. All import of bulk cargoes be made only on f.o.b basis.
9. Cargo support by Government should not be extended to BBCD chartered vessels operated by companies with more than 51% foreign equity.
10. Amendment to Merchant Shipping Act to facilitate the growth of the industry is made in a time bound manner.
11. The Afzulpurkar Committee recommendations to facilitate coastal shipping must be implemented without delay.
12. A Coastal Shipping Act to facilitate independent development of coastal shipping and new reduced requirement for dedicated coastal ships must be promulgated.
13. Coastal Shipping be declared as infrastructure industry.

14. Domestic shipbuilding capacity for coastal ships to be enhanced and ships be eligible for soft loans from Infrastructure Development Finance Company (IDFC).
15. Greater emphasis needs to be placed on training HSC candidates as marine engineers. Government should consider within the present training period of 4 years.
16. Private initiative must be encouraged for setting up additional training facilities.
17. Selection of crew, their training and certification process to be modified and retirement age of crew to be set up at 48 as in the case of armed forces.
18. Companies must be required to maintain their own rosters of crew, and the general roster system be done away with.
19. To reduce the manning scale in a fixed time frame.
20. Seamen's Employment Office to be done away with and instead they should only facilitate placement of seamen.
21. LNG and LPG carriage should be reserved for Indian flagships with possible dispensation in the absence of available national tonnage.
22. Reduction of freight paid from taxable income when Indian ships are used.
23. The subsidy to public sector shipyards should be restricted for building liner and coastal vessels and such subsidy should be extended to all shipyards.
24. National Trade and Transportation facility forum with representation from various Ministries to be established for facilitating multi modal transportation.
25. Indian ports should be required to develop and implement suitable safety and quality management systems that meet the universally accepted standards.
26. To achieve compliance with safety and quality standards and maintain consistency with the requirements of the shipping industry, interaction on these issues between port administration and the maritime administration must be enhanced.
27. Ports must be encouraged to make provision for ship repair facilities.
28. State Governments should be encouraged to create suitable infrastructure for industry to participate in ship repair.
29. The Maritime Administration must be restructured to be responsive to the demands of the changing shipping environment and staffed with adequately trained manpower, competent to address contemporary issues related to safety, quality and training.
30. In order to attract experience manpower the state's maritime administration must attract personnel from industry, the competing empower, which pay mush higher remuneration.
31. Neither an open register no a second register demonstrates any potential benefit for Indian Shipping`s development. In fact both could harm the interest of the existing national flag carriers.