

**GOVERNMENT OF INDIA  
SURFACE TRANSPORT  
LOK SABHA**

UNSTARRED QUESTION NO:4499  
ANSWERED ON:24.04.2000  
DISPOSAL OF SHIPS BY SCI  
BODAKUNTI VENKATESHWARLU

**Will the Minister of SURFACE TRANSPORT be pleased to state:**

- (a) whether the Shipping Corporation of India propose to dispose of some ships;
- (b) if so, the reasons therefor; and
- (c) the steps taken for development of shipping sector ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF SURFACE TRANSPORT

(DR. DEBENDRA PRADHAN)

(a) & (b) The SCI propose to dispose off 13 ships during the year 2000-01. The Government have fixed the economic life of all categories of vessels. Normally when a ship completes its economic life and its repair expenses become prohibitively high, the same is disposed off. However, in some cases when a ship has not completed its economic life but the repair expenses become high due to poor physical condition of the ship or the ship is not acceptable in the market and thus the operation of ship techno-commercially unviable, the same is disposed off.

(c) The Government have taken the following steps for development of shipping sector:-

- (i) Introduction of automatic approval for acquisition of ships.
- (ii) Committee for Slotting of ship repair, which used to decide about the yards where ships were required to be repaired, has been abolished. It has been left to the shipowners to decide the yard for repairs based on his commercial judgement.
- (iii) Shipping companies have been permitted to retain sale proceeds of Indian ships abroad for utilization for fresh acquisition.
- (iv) Freedom to time charter out Indian ships to foreign companies for employment in international cross trade.
- (v) Allowing shipping companies to acquire vessels on charter-cum-demise method (similar to hire purchase system).
- (vi) Age norms for acquisition of second hand vessels have been further relaxed.
- (vii) Import of large vessels have been placed under open general licence w.e.f. 1.4.1997.