

**GOVERNMENT OF INDIA  
SHIPPING  
LOK SABHA**

STARRED QUESTION NO:661

ANSWERED ON:07.05.2003

TONNAGE TAX

VILAS BABURAO MUTTEMWAR;VIRENDRA KUMAR

**Will the Minister of SHIPPING be pleased to state:**

- (a) whether the Government propose to introduce the tonnage tax as an alternative to the existing corporate tax on their profits;
- (b) if so, the details thereof ;
- (c) the manner in which tonnage tax is likely to reduce the burden on the ailing Indian Shipping Companies; and
- (d) the names of the countries which have already introduced the tonnage tax system?

**Answer**

MINISTER OF SHIPPING (SHRI SHATRUGHAN SINHA)

(a) & (b):Ministry of Shipping is at present discussing the proposal of Introduction of Tonnage tax with the Ministry of Finance on the direction of the Cabinet. In order to finalize the modalities of the proposed fiscal regime, a group comprising of representatives of the Ministry of Shipping, Central Board of Direct Taxes and Indian National Shipowners' Association has been constituted.

(c): Since the proposal is under consideration stage, exact effect of this to reduce the burden on the ailing Indian shipping companies cannot be quantified at this stage.

(d): 42 maritime countries comprising 85.78% of world Shipping are following either the conventional tonnage tax system or dual taxation regime of corporate tax alongwith optional tonnage tax system. A list of countries having tonnage tax and its variants is annexed.

ANNEXURE REFERRED TO IN REPLY TO PART (d) OF STARRED QUESTION NO. 661 TO BE ANSWERED ON 7TH MAY ASKED BY S/SHRI VIRENDRA KUMAR & VILAS MUTTEMWAR REGARDING TONNAGE TAX.

LIST OF COUNTRIES THAT FOLLOW TONNAGE TAX REGIME AND THEIR RESPECTIVE TONNAGE PROFILE.

Tonnage as on 31-12-2000

No. of Ships      GRT

A. Countries with Conventional Tonnage tax System including flags of convenience countries

Antigua & Barmuda	759	4,224,380
Bahamas	1,295	31,445,118
Barbados	76	733,319
Belize	1,660	2,251,422
Bolivia .	87	177,736
Combodia	405	1,447,491
Hong Kong	560	10,242,199
Cyprus	1,475	23,206,439
Denmark (Dis).	524	6,357,827
Dominica	7	2,233
Honduras	1,407	1,110,987
Jamaica	9	3,647
Liberia	1,557	51,450,917
Luxembourg	58	1,078,550
Malta	1,505	28,170,010
Marshall Islands	302	9,745,233
Mauritus	40	91,178
Netherlands Antilles	177	1,235,471

Norway (Nis & FoC)	1,404	35,768,087
Panama	6,184	114,382,270
Portugal (Mar)	145	909,735
Saint Vincent	1,366	7,026,358
Singapore	1,728	21,491,085
Sri Lanka	65	150,003
Bermuda	129	5,751,816
Cayman Islands	133	1,796,353
Gibraltar	55	604,008
Isle of Man	223	5,430,510
Vanuatu	288	1,378,832
Sub Total	23,623	367,663,214

#### B. Dual Taxation Regimes

Greece	1,529	26,401,716
Denmark	942	6,823,081
Germany	994	6,552,202
Italy	1,457	9,048,652
Netherlands	1,317	5,167,722
Norway (NOR)	1,606	3,912,084
United Kingdom	1,448	5,531,986
Portugal	326	281,757
Spain	1,503	1,552,626
France	700	1,502,535
Finland	280	1,620,353
Turkey	1,153	5,832,717
South Korea	2,502	6,199,801
Sub Total	15,757	80,427,232
	(15.40%)	

#### C. Cabotage Trade Regimes

USA	5,792	11,110,901
Japan	8,012	15,256,624
Canada	861	2,657,570
Sub Total	14,665	29,025,095

#### D. Developing Trade/Liberal Tax Regimes

Brune	57	361,726
Malaysia	868	5,328,086
UAE	350	978,781
Saudi Arabia	276	1,259,627
Iran	375	4,234,410
Qatar	67	715,489
SubTotal	1,993	12,878,119
	(2.47%)	

Total (A + B + C + D) 489,993,660  
(93.81%)

World Tonnage 522,410,119#

# Excludes unknown flags and unknown taxation regimes with a combined tonnage of 35.64 million grt

Note: Figures in brackets refer to percentage share of respective groups of countries to World Tonnage