

**GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

UNSTARRED QUESTION NO:1205
ANSWERED ON:08.12.2004
SHIP BUILDING AND REPAIRING INDUSTRY
Sidhu Shri Navjot Singh

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the Government proposes to promote the ship building and repairing industry more vigorously;
- (b) if so, the details thereof;
- (c) whether shipyards are making losses at present;
- (d) if so, the details thereof and the reasons therefor ; and
- (e) the steps being taken in this regard ?

Answer

MINISTER OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS(SHRI T.R. BAALU)

(1.91) (a) & (b) There is already a shipbuilding subsidy scheme providing 30% of subsidy of the price of vessels for construction by Indian Shipyards. In case of domestic orders, vessels have to be ocean going merchant vessels of 80 metre length and above and orders have to be obtained on Global Tender basis. For export orders, vessels can be of any type or size and can be either on Global Tender basis or on negotiated basis. The scheme was extended by Government to all shipyards including private sector shipyards on 25th October, 2002. Prior to that, the scheme was applicable only to the Central Public Sector shipyards.

(c) & (d) There are four Shipyards under the administrative control of Ministry of Shipping, Road Transport and Highways, Department of Shipping viz. Cochin Shipyard Limited, Kochi; Hindustan Shipyard Limited, Visakhapatnam ; Hooghly Dock and Port Engineers Limited, Kolkata and Rajabagan Dockyard of Central Inland Water Transport Corporation Limited, Kolkata. Three Shipyards are under the administrative control of Ministry of Defence, viz. Mazagaon Dock Limited, Mumbai ; Garden Reach Shipbuilders and Engineers Limited, Kolkata and Goa Shipyard Limited, Goa. A statement indicating the profits/losses for the year ended 2002-2003 is annexed. Certain Shipyards have incurred losses on account of lack of working capital, low order book position, high overheads, low productivity, inadequate technological upgradation due to resource crunch.

(e) To encourage the shipbuilding industry, Government has introduced the Shipbuilding Subsidy Scheme. In addition, manpower rationalization and technological upgradation in terms of Repairs and Replacement of equipments is also being done.

(1.91) ANNEXURE

STATEMENT REFERRED TO IN REPLY TO PARTS (c) AND (d) OF LOK SABHA UNSTARRED QUESTION NO. 1205 TO BE ANSWERED ON 8TH DECEMBER, 2004

Profits/Losses by the Central Public Sector Shipyards for the year 2002-2003

(Rupees in Crores)

I. Shipyards under the administrative control of Ministry of Shipping, Road Transport and Highways, Department of Shipping

| S.No. | Name of the Shipyard | Profit/(Loss) |
|-------|---|---------------|
| 1. | Cochin Shipyard Limited, Kochi | 16.48 |
| 2. | Hindustan Shipyard Limited, Visakhapatnam | 2.46 |
| 3. | Hooghly Dock and Port Engineers Limited, Kolkata | (24.45) |
| 4. | Rajabagan Dockyard of Central Inland Water Transport Corporation, Kolkata | (1.91) |

II.Shipyards under the administrative control of Ministry of Defence

| S.No. | Name of the Shipyard | Profit/(Loss) |
|-------|--|---------------|
| 1. | Mazagaon Shipyard Limited, Mumbai | (24.13) |
| 2. | Garden Reach Shipbuilders and Engineers Limited, Kolkata | 21.33 |
| 3. | Goa Shipyard Limited, Goa | 17.83 |