

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:106

ANSWERED ON:02.07.2009

SHIPPING ARRANGEMENTS FOR IMPORTING RAW MATERIALS

Gaikwad Shri Eknath Mahadeo;Yaskhi Shri Madhu Goud

Will the Minister of STEEL be pleased to state:

- (a) whether the Government proposes to delegate powers to the Steel Authority of India Ltd. (SAIL) and Rashtriya Ispat Nigam Ltd. (RINL) for making their own shipping arrangements to import raw materials;
- (b) if so, the details thereof;
- (c) whether these companies have faced any problem in the existing system while hiring ships for import of raw materials during the last three years;
- (d) if so, the details thereof; and
- (e) the extent to which the delegation of such powers are likely to be beneficial to these companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL(SHRI A. SAI PRATHAP)

(a)&(b): Proposals have been received from the Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) for permitting them to make their own shipping arrangements to import raw materials. However, no decision has been taken by the Government as yet.

(c)to(e): The Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) route their imported raw material through vessels chartered by Transchart, in line with present practice. Both SAIL and RINL have represented that the policy of routing their cargoes through M/s Transchart is not always in their commercial interest, in light of the volatile shipping environment and their individual requirements. They have also represented that if they are given permission to charter their own ships, they may be in a better position to respond to shipping market dynamics and save on freight costs involved in transporting bulk raw materials.