

**GOVERNMENT OF INDIA  
SHIPPING  
LOK SABHA**

UNSTARRED QUESTION NO:6063  
ANSWERED ON:03.05.2010  
PERMISSION TO SCI AND IOC  
Kumar Shri Kaushalendra

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

(a) whether the Government has not permitted to Shipping Corporation of India (SCI) and Indian Oil Corporation (IOC) to transport cargo and crude oil from the foreign countries to India during 2006-08 due to which the IOC had to hire foreign cargo ships on hefty freight and the IOC suffered heavy losses as a result thereof;

(b) if so, the details thereof and the reasons therefor; and

(c) the reaction of the Government thereto?

**Answer**

MINISTER OF SHIPPING (SHRI G.K. VASAN)

(a) to (c): Government has never disallowed Shipping Corporation of India(SCI) to transport cargo from foreign countries to India. Further, Government has allowed IOC to charter ships for all its requirements relating to oil import w.e.f. 25th April 2005. As such no permission was required from Government for transport of cargo and crude oil from foreign countries to India during 2006-08. IOC mainly engages Very Large Crude Carriers (VLCC) and Suez Max category vessels for transportation of crude oil. Freight is a market driven phenomenon and, therefore, depends largely on global demand and supply of ships. However, IOC has maintained its freight levels in line with the prevailing market levels. The data in this respect is given below:

Worldscale (WS) rate  
Year IOC Market

2007-08	99.2	113.5
2008-09	113.39	130.78
2009-10	50.71	59.15

Lumpsum freight is converted to Worldscale (WS) rate

Market as prevailed on fixture date.