

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:3188
ANSWERED ON:29.11.2010
SHIPPING PROJECTS IN GUJARAT
Bavalia Shri Kuvarjibhai Mohanbhai

Will the Minister of SHIPPING be pleased to state:

- (a) whether the Government has drawn any detailed action plan for renovation of ports and a roadmap for development of shipping in the country including Gujarat;
- (b) if so, the details thereof;
- (c) whether the Government proposes to review the ongoing shipping projects in which there is private participation;
- (d) if so, the details thereof; and
- (e) the steps proposed to be taken by the Government to strengthen the shipping sector in the country including Gujarat and make it internationally competitive?

Answer

MINISTER OF SHIPPING (SHRI G.K. VASAN)

(a) & (b): Ministry of Shipping has formulated a National Maritime Development Programme (NMDP) for development of Port and Shipping Sector in the country including Major Port of Kandla in Gujarat. Under NMDP 276 projects have been envisaged in Port Sector targeting an investment of Rs.55803.73 crores and 111 projects under Shipping Sector targeting an investment of Rs.44,535 crores.

(c) & (d): The Ministry of Shipping periodically reviews the progress of the above projects including those projects where there is private investment participation.

(e): Various steps have been taken by the Ministry of Shipping to strengthen the Shipping sector in the country including the major port of Kandla in Gujarat namely construction of new berths and terminals, replacement of old cargo handling equipments, mechanization of berths and terminals, deepening of channels, widening of roads and providing adequate rail-road connectivity for faster evacuations of traffic, implementation of Electronic Data Interchange and Port Community System (EDIPCS) for online handling of Shipping documents, acquisition of ships, aids to navigation, shipbuilding and ship repairs etc. Further, private sector participation has been allowed and encouraged to bring in efficiency and modern management techniques to make Indian shipping sector internationally competitive.

In order to provide level playing field for the Indian Shipping Companies with their global counter parts, the Government has introduced Tonnage Tax regime in India since the year 2004. Further, the liberalized policy on ship acquisition has been introduced and acquisition of all types of ships has been brought under Open General License (OGL). Besides, 100% FDI has been permitted in ship acquisition and registration formalities of newly acquired ships have been simplified. Indian shipping industry has been provided cargo support through right of first refusal & policy of FOB import is being followed for government owned/controlled cargoes. In addition, chartering of vessels for movement of cargo on private account is regulated through the Director General of Shipping taking into consideration the availability of Indian flag vessels.