

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

STARRED QUESTION NO:73
ANSWERED ON:19.03.2012
DECLINE IN SEA FREIGHT CHARGES
Majumdar Shri Prasanta Kumar; Tirkey Shri Manohar

Will the Minister of SHIPPING be pleased to state:

- (a) whether the sea freight charges have seen drastic reduction in the recent past;
- (b) if so, the estimates of this reduction during the last two years; (
- (c) the extent of reduction in the sea freight charges alongwith the details of routes between the countries affected by it; and
- (d) the main reasons for such reduction?

Answer

MINISTER OF SHIPPING(SHRI G.K. VASAN)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF STARRED QUESTION NO.73 TO BE ANSWERED ON 19TH MARCH, 2012, RAISED BY SHRI PRASANTA KUMAR MAJUMDAR AND SHRI MANOHAR TIRKEY REGARDING DECLINE IN SEA FREIGHT CHARGES

(a): Yes, Madam.

(b): The estimates of reduction in sea freight rates during the last two years are given at Annexure-I.

(c): The extent of reduction in the sea freight charges alongwith the details of routes between the countries affected by it are given at Annexure-II.

(d): The main reasons for reduction in freight charges are:-(i) increasing size of ships and over capacity of available tonnage in comparison to the growth of trade; (ii) ships ordered during the boom period began to get delivered putting pressure on freight rates; (iii) slow down of growth in China and other parts of Asia reducing the demand of raw materials as well as manufactured goods affecting Intra-Asian trade; and (iv) reduction in demand in the European countries.