

**GOVERNMENT OF INDIA  
SHIPPING  
LOK SABHA**

UNSTARRED QUESTION NO:4118

ANSWERED ON:30.04.2012

DEVELOPMENT OF SHIPPING INDUSTRY . ADV. GANESHRAO DUDHGAONKAR

Gawali Patil Smt. Bhavana Pundlikrao ;Nagorao Shri Dudhgaonkar Ganeshrao;Wankhede Shri Subhash Bapurao

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

- (a) the steps taken by the Government for addressing the problem faced by the shipping industry and to promote shipping industry and trade in the country;
- (b) the number of vessels added in Indian fleet of vessels during the last five years and the current year;
- (c) the reasons for slow development in shipping industry during the said period;
- (d) whether the Government proposes to implement a time bound acquisition policy for the development of the shipping industry so as to enabled it to face the global competition; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF SHIPPING (SHRI G.K. VASAN)

(a): The following steps have been taken by the Government to support the shipping industry:-

(i) With a view to provide a level playing field to the Indian shipping sector, the Government introduced the tonnage tax system during 2004-05 which has effectively brought down the tax liability of shipping companies to a level comparable to the international levels from the previous levels of the corporate tax regime.

(ii) Indian Coasting Trade is reserved for Indian flag vessels through incorporation of cabotage regulations in the Merchant Shipping Act, 1958 under section 406 and 407.

(iii) Indian Shipping industry has been provided cargo support in form of right of first refusal & policy of Free On Board (FOB) import is being followed for government owned/ controlled cargoes.

(b): From 1.4.2005 to 1.4.2012, a total of 449 vessels have been added to Indian fleet.

(c): Even though there was a recession in the shipping industry , the Indian tonnage has steadily progressed since 2004. This is due to the introduction of tonnage tax scheme in the year 2004. During the period from 2004 to 2011, there is an increase in the Indian tonnage by 3.5 million gross tonnage (MGT).

(d) & (e): As per the Maritime Agenda of the Ministry of Shipping, Indian shipping companies aim to reach a level of 43 million gross tonnage (GT) by 2020 which will include owned and chartered tonnage.