

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:2480
ANSWERED ON:27.08.2012
SHIPPING INDUSTRIES
Reddy Shri K. Jayasurya Prakash

Will the Minister of SHIPPING be pleased to state:

(a) whether the shipping industries is sinking because of manpower shortage, multiplicity of regulation and declining share of Indian shipping tonnage in India`s overseas trade as well as High Port calling costs; and

(b) if so, the details thereof and the steps taken by the Government to support the shipping industries?

Answer

MINISTER OF SHIPPING (SHRI G.K. VASAN)

(a): There has been shortage of manpower of nautical and engineering officers but situation has shown improvement and at junior level there is no shortage of man power now. The shipping industry cannot be said to be sinking due to shortage of manpower. However, the share of Indian carriers in carriage of country's overseas seaborne trade has declined. While factors such as multiplicity of regulation and high port calling costs compared to neighbouring countries reduce the profitability of shipping companies, several other factors adversely affect shipping industry like high bunkers costs, presence of direct and indirect taxes etc.

(b): Government had introduced tonnage tax regime for shipping sector in 2004. 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. Further, 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. Government has also taken steps to increase the training opportunities and has streamlined examination/certificate procedure.