

**GOVERNMENT OF INDIA  
SHIPPING  
LOK SABHA**

UNSTARRED QUESTION NO:644  
ANSWERED ON:26.11.2012  
OPTIMUM USE OF SEA ROUTES  
Alagiri Shri S. ;Vasava Shri Mansukhbhai D.

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

- (a) whether the Government has made optimum use of the sea routes;
- (b) if so, the facts and details thereof;
- (c) if not, the reasons therefor; and
- (d) the measures taken or being taken by the Government in this regard?

**Answer**

MINISTER OF SHIPPING (SHRI G.K. VASAN)

(a) & (b): Government has been making optimum use of the sea routes based on the trade and economic viability of the sea routes as far as export import trade is concerned. However, as far as domestic shipping (coastal) is concerned, optimum utilization is yet to be achieved . The share of domestic shipping is less than seven per cent.

(c): High bunker costs due to duties levied on fuel for coastal ships, inadequate water depth etc. are some of the hurdles for optimum use of domestic shipping.

(d): Some of the important measures, inter-alia, taken by the Government in this regard are as follows:

(i) 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.

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