

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

STARRED QUESTION NO:221
ANSWERED ON:10.12.2012
DEVELOPMENT OF SHIPPING INDUSTRY
Sivasami Shri C.

Will the Minister of SHIPPING be pleased to state:

- (a) the present status of the ship-building industry in the country;
- (b) the initiatives taken/being taken by the Government for upgradation of infrastructure in the ports and augmentation of Indian tonnage in the shipping sector;
- (c) whether the Government proposes to allow local shipping industry to raise foreign currency loans or bonds through any identified financial institution with a view to boosting the shipping industry; and
- (d) if so, the details thereof and the steps taken/being taken by the Government in this regard?

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 LOK SABHA STARRED QUESTION NO. 221 TO BE ANSWERED ON 10TH DECEMBER, 2012 RAISED BY SHRISIVASAMI C. REGARDING DEVELOPMENT OF SHIPPING INDUSTRY

(a): As per information received from Shipyards Association of India, there are 27 major shipyards in the country. Indian shipyards in the public sector as well as private sector have expertise for building various types of vessels/ ships.

(b): The Government has taken various initiatives for upgradation of infrastructure in the ports which include expeditious award/ implementation of various capacity addition and mechanisation projects; Private sector participation in capacity augmentation/upgradation for which Bid documents have been standardised; and 100% Foreign Direct Investment (FDI) being allowed under the automatic route. Besides, Income tax incentives are also available for investments made in port infrastructure.

Similarly, in order to augment the Indian tonnage in the Shipping sector, the Government has taken initiatives, such as, introduction of Tonnage tax scheme and policy of Cargo support to Indian flag ships in respect of government owned/controlled cargoes.

(c) & (d): The shipping companies which are in service sector are allowed to avail foreign currency loans in the form of External Commercial Borrowings (ECBs)/Foreign Currency Convertible Bonds (FCCBs) under the automatic route from their foreign equity holders upto US \$ 200 million and proposals beyond US \$ 200 million are considered under the approval route.