

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:2080
ANSWERED ON:11.03.2013
OPERATIONAL COSTS OF SHIPPING COMPANIES
Karunakaran Shri P.

Will the Minister of SHIPPING be pleased to state:

- (a) whether the shipping companies expect a 20 per cent rise in their operational costs;
- (b) if so, the reasons therefor; and
- (c) the steps taken by the Government to help the shipping companies in this regard?

Answer

MINISTER OF SHIPPING (SHRI G.K. VASAN)

(a) & (b) The shipping companies are facing the brunt of rising operational costs due to rising bunker costs. Bunker fuel costs on an average, form nearly one-third of the total operating costs for shipping companies. Other factors leading to increase in shipping operating costs include higher port dues, higher wages and salaries etc.

(c) Government has been taking various steps from time to time for the growth of Indian tonnage. Government introduced tonnage tax scheme for shipping sector in 2004 and Policy of Cargo support to Indian flag ships in respect of Government owned/controlled cargoes is being continued.