

**GOVERNMENT OF INDIA  
SHIPPING  
LOK SABHA**

UNSTARRED QUESTION NO:2132  
ANSWERED ON:11.03.2013  
OUTSOURCING IN SHIPPING INDUSTRY  
Reddy Shri Modugula Venugopala

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

- (a) whether outsourcing is becoming an increasingly essential tool in the shipping industry;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the present status of outsourcing in the country particularly with regard to the shipping industry?

**Answer**

MINISTER OF SHIPPING (SHRI G.K. VASAN)

(a)&(b): The Shipping industry operates in globally integrated and highly competitive market characterized by cyclical troughs & booms. In order to deal with the competitive market challenges, operational efficiencies are optimally achieved and market risks equitably spread among various participants. The ships may be registered in one country, owned in another country / by another party and manned and managed in yet another country, by yet another party.

Outsourcing of various activities in this business is therefore required from time to time with regard to management of vessels, manning of vessels, sourcing of goods and services, etc.

(c): At present, the outsourcing in the country in Shipping industry is in line with the international practice.