

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:4532

ANSWERED ON:22.04.2013

LACK OF SHIPPING EXPERTS

Ganpatrao Shri Jadhav Prataprao;Singh Rajkumari Ratna

Will the Minister of SHIPPING be pleased to state:

- (a) whether the share of domestic shipping in total freight activity is less than seven per cent in the country;
- (b) if so, the reasons therefor along with the reaction of the Government thereto;
- (c) whether lack of shipping experts in the Directorate General of Shipping is one of the reasons;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the corrective steps taken by the Government in this regard along with the success achieved as a result thereof?

Answer

MINISTER OF SHIPPING (SHRI G.K. VASAN)

(a) & (b) The share of domestic (Indian flag) Shipping in India's overseas trade was 7.95% in the year 2010-11. Even though there was a recession in the shipping industry, the Indian tonnage has steadily progressed since 2004.

(c) & (d) No, Madam. The Indian shipping industry is owned, operated and managed by entrepreneurs from the private and public sectors.

(e) The following steps have been taken by the Government to support the shipping industry which have contributed to an increase in the Indian Tonnage by 3.5 million gross tonnage (MGT) during the period from 2004 to 2011:

(i) With a view to provide a level playing field to the Indian shipping sector, the Government introduced the tonnage tax system during 2004-05 which has effectively brought down the tax liability of shipping companies to a level comparable to the international levels from the previous levels of the corporate tax regime.

(ii) Indian Coasting Trade is reserved for Indian flag vessels through incorporation of cabotage regulations in the Merchant Shipping Act, 1958 under sections 406 and 407.

(iii) 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.