

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:1064
ANSWERED ON:12.08.2013
ACQUISITION OF SHIPS BY SCI
Ajay Kumar SHRI

Will the Minister of SHIPPING be pleased to state:

- (a) whether there has been an increase in the shipping fleet of the Shipping Corporation of India (SCI) during the last three years and the current year;
- (b) if so, the details and number of ships added during the said period;
- (c) the reasons for the Government's decision to undertake the ambitious ship acquisition programme of adding ships to its fleet, when the global market price of new ships was at its peak;
- (d) whether the Government proposes to revise its decision of acquisition due to lean global economic conditions and losses incurred by the Shipping Corporation of India;
- (e) if so, the details of the revised acquisition plan; and
- (f) if not, the reasons for the same?

Answer

MINISTER OF SHIPPING (SHRI G.K. VASAN)

(a) & (b): There has been an increase in cargo carrying capacity of the fleet of Shipping Corporation of India (SCI). The details of SCI fleet during the last three years and the current year is as follows:

Year (As on)	Nos. of vessels (GT)	Capacity Gross Tonnage (DWT)	Dead Weight
01.04.2010	76	2,926,806.16	5,141,216.74
01.04.2011	79	3,253,976.16	5,730,102.97
01.04.2012	76	3,146,852.16	5,566,586.77
01.04.2013	80	3,324,273.00	5,909,298.11
01.08.2013	77	3,348,373.00	5,958,927.81

The number of vessels has remained more or less the same but there has been an increase in total tonnage, primarily due to phasing out of older vessels and induction of new larger vessels. During the last three years (i.e. 01.04.2010 onwards) 36 vessels of 12.62 lakh GT & 22.28 lakh DWT were added and 35 vessels of 8.40 lakh GT and 14.10 lakh DWT were phased out from SCI fleet. The net addition to SCI fleet is of 4.22 lakh GT and 8.18 lakh DWT.

(c): SCI has a well planned vessel acquisition programme which is prepared based on the need for the vessels either for replacement of the existing vessels or for expansion of fleet so as to remain competitive in the market and retain its market share. SCI prepares its Five Yearly ship acquisition plan in line with the Five Year Plan of the Government of India and the same is reviewed periodically to streamline it with the changing shipping markets. Shipping is a cyclic business with ups and downs and the shipbuilding prices generally follow trend of the shipping market. Accordingly, while some of the vessels were acquired during rising market, SCI has also acquired vessels during the downturn of the shipbuilding market.

(d) to (f): The shipping markets have been badly hit due to uncertainty in the global economy and the prevailing recessionary sentiments in global shipping markets. In view of the above it was felt prudent by SCI to go slow on its vessel acquisitions. SCI has acquired only 1 resale Suezmax tanker "Desh Shoba" during 2012-13 and in view of the continuing depressed shipping markets, no acquisitions are planned during the current year 2013-14. The acquisition policy is reviewed from time to time based on the shipping

scenario.