

**GOVERNMENT OF INDIA  
SHIPPING  
LOK SABHA**

UNSTARRED QUESTION NO:1698  
ANSWERED ON:16.12.2013  
BOOSTING OF SHIPPING INDUSTRY  
Reddy Shri Modugula Venugopala

**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 Government in this regard?

**Answer**

MINISTER OF SHIPPING (SHRI G.K. VASAN)

(a) There are 8 public sector and 19 private sector shipyards in India. The Major shipyards in public Sector are the Cochin Shipyard Ltd. (CSL) Kochi under the Ministry of Shipping, Mazagon Dock Ltd, Mumbai, Goa Shipyard Ltd, Goa, Garden Reach Shipbuilders & Engineers Ltd, Kolkata and Hindustan Shipyard Ltd, Vishakhapatnam which are under the Ministry of Defence. The major private sector shipyards are ABG Shipyard Ltd, Bharati Shipyard Ltd, Larsen and Toubro Limited, and Pipavav Offshore and Defence Ltd. Among the public sector shipyards, CSL has the maximum shipbuilding capacity (1,10,000 DWT) followed by Hindustan Shipyard Ltd (70,000 DWT). Order book position of Indian Shipyards is 0.4 Million DWT currently. Global share of Indian Shipyards as of year 2012 was 0.03% based on global shipbuilding orders in DWT.

(b) In the Port Sector, upgradation of infrastructure has been taken up through construction of new berths/terminals & through mechanisation of existing berths. In the year 2012-13, Government of India has awarded 32 projects consisting capacity augmentation of 136.75 metric million ton per annum (MMTPA) with an estimated investment of Rs. 6766.63 crore.

In order to make the shipping industry more competitive, Government had introduced tonnage tax regime for shipping sector in 2004. The Indian shipping industry has been provided cargo support through right of first refusal & policy of FOB import is being followed for government owned/controlled cargoes. Further, chartering of vessels for movement of cargo on private account is regulated through the Director General of Shipping taking into consideration the availability of Indian flag vessels. These measures are being continued to support and augment the Indian shipping tonnage.

(c)&(d):The Indian shipping industry is operated/managed by entrepreneurs from public and private sectors. The acquisition of ships and raising of loan in private sector is solely a commercial decision taken independently by the entrepreneurs. No proposal has been finalised 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.