

**GOVERNMENT OF INDIA  
SHIPPING  
LOK SABHA**

STARRED QUESTION NO:429

ANSWERED ON:23.04.2015

CABOTAGE NORMS

Panda Shri Baijayant "Jay";Sule Smt. Supriya Sadanand

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

- (a) the details of cabotage law/norm for trans-shipment of export-import cargo;
- (b) whether India depends on foreign ports for trans-shipment of its export-import cargo;
- (c) if so, the details thereof including the cargo in terms of percentage trans-shipped of foreign ports and the reasons therefor;
- (d) whether the Government proposes to relax the cabotage norms for export-import cargo to promote trans-shipment; and
- (e) if so, the details thereof indicating the ports for which cabotage laws are likely to be relaxed?

**Answer**

MINISTER OF SHIPPING (SHRI NITIN GADKARI)

(a)to(e): A statement is laid on the Table of the House

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.429 TO BE ANSWERED ON 23RD APRIL 2015 RAISED BY SHRI BAJAYANT JAY PANDA AND SHRIMATI SUPRIYA SULE REGARDING CABOTAGE NORMS

(a) Presently cabotage restrictions are operative as per Section 407 of the Merchant Shipping Act, 1958 for coasting trade by foreign flag vessels along Indian coast. Section 407 (2) of the Act provides for granting of licence for such coasting trade in India to a foreign flag vessel for a specified period or voyage and subject to such conditions as may be specified by the Director General of Shipping. Detailed guidelines in this regard has been issued by the Directorate General of Shipping vide Shipping Development (SD) Circular No. 2 of 2002 and Circular No. 2 of 2007.

(b)&(c):Yes, Madam. As per available information, during the year 2012-13, 72.6 % of containers were transported from an Indian port to their destination port abroad and 27.4% containers were transshipped through either Colombo, or Singapore or other international ports. The shipping lines decide to use a port for transshipment depending upon several factors such as availability of vessels, available draught in the ports, availability of cargo for onward journey, cost of transshipment at the port, convenient geographical location of the port, access to major trading center etc.

(d)&(e): Demands for relaxation of cabotage have been received for (i) EXIM containers and empties by Government of Andhra Pradesh for the entire coastline of Andhra Pradesh and Container Shipping Line Association (CSLA) (ii) Government of Kerala for Vizhinjam Port (iii) Ministry of Textiles for transportation of raw cotton and (iv) Specialised vessels such as RO-RO, Car carriers/LNG carriers from trade and industry. Government of India has exempted Customs and Excise Duty leviable on specified bunker fuels used in Indian flag vessels for transportation of EXIM and empty containers between two or more ports in India in order to enable foreign flag ships to start flagging in India and obviate the need for any specific relaxation in cabotage rules.