

**GOVERNMENT OF INDIA  
SHIPPING  
LOK SABHA**

UNSTARRED QUESTION NO:1783

ANSWERED ON:30.07.2015

Cabotage Restrictions

Chavan Shri Ashok Shankarrao;Gaikwad Dr. Sunil Baliram;Gupta Shri Sudheer;Kirtikar Shri Gajanan Chandrakant;Singh Shri Kunwar Haribansh;Sundaram Shri P.R.;Udhayakumar Shri M.

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

- (a) the details of cabotage restrictions presently in operation for coasting trade in India;
- (b) the revenue generated by various Port Trusts in the country during each of the last three financial year, Port Trust wise;
- (c) whether the cabotage restrictions have affected the seamless movement of cargo and the earnings of Port Trusts and if so, the details thereof along with the remedial step proposed to be taken in this regard; and
- (d) whether the Government proposes to relax the existing cabotage restrictions and if so, the details thereof including the criteria adopted for the purpose?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF SHIPPING  
(SHRI PON RADHAKRISHNAN)

(a) Presently cabotage restrictions are in place as per Section 407 of the Merchant Shipping Act, 1958 for coasting trade by foreign flag vessels along the 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) The revenue generated by the Port Trusts during last three financial years are as follows:

(Rs.in Crores)

PORT 2012-2013 2013-2014 2014-2015 (Provisional)

KOLKATA 1402.20 1896.14 1867.69

PARADIP 798.25 1068.17 1059.50

VISAKHAPATNAM 889.52 949.74 924.52

CHENNAI 883.68 811.76 926.31

VOCHIDAMBARANAR 409.21 424.11 576.17

COCHIN 446.04 458.58 447.02

NEW MANGALORE 431.08 406.81 423.20

MARMUGAO 246.09 217.75 298.58

MUMBAI 1679.59 1712.48 1572.30

JNPT 1495.83 1697.72 1757.01

KANDLA 982.93 1008.05 1048.78

(c) The cabotage restrictions have not affected the seamless movement of cargo, as whenever no Indian flag vessel is available for the movement of cargo on the coast of India, permission/license is granted by the Directorate General of Shipping, GoI for engagement of foreign flag vessel for such cargo movement. The earnings of port trusts are not affected due to cabotage restrictions.

(d) The Ministry of Shipping has uploaded a note on relaxation of cabotage restrictions on the Ministry's website and also circulated it to the stakeholders, departments and agencies for comments.

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