

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:2251

ANSWERED ON:10.03.2016

Cargo Handling by Indian Ships

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Will the Minister of SHIPPING be pleased to state:

- (a) whether the Government has circulated a note to user Government Department/Ministries for their views to make it mandatory for State-owned companies to allocate some cargo volumes for Indian-flagged ships;
- (b) if so, the details thereof and the response of the concerned Departments/ Ministries thereto;
- (c) the further steps being taken by the Government to protect the interest of national shipping companies;
- (d) whether the countries world over are securing transportation of their critical cargoes through their national shipping fleet; and
- (e) if so, the details thereof?

Answer

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

(a)&(b):Yes, Madam. World over countries are securing transportation of their critical cargoes through their national shipping fleet. A Note has been circulated by Ministry of Shipping to user Government Departments/Ministries on similar lines for their views. Although, general response has been supportive provided the country has adequate tonnage to cater to the demand, Government has not yet taken any final view.

(c) To make the Indian shipping industry competitive, the Government has exempted Customs and Excise Duty leviable on bunker fuels used in Indian flag vessels for transportation of mix of EXIM, domestic and empty containers between two or more ports in India. Government has brought in a uniform abatement of service tax for transportation of goods by rail, road and sea vessels. Indian shipping industry has been provided cargo support through Right of First Refusal (RoFR). Besides this, Government has allowed shipping enterprises based in India to acquire ships abroad and also flag them in the country of their convenience.

As a step towards creating a climate of "Ease of Doing Business" in the country, methodology for computation of period of stay of seafarers in India has been redefined.

(d)&(e): Several major maritime countries provide for cargo support to their national shipping lines. Major industrialized economies such as Japan, China, South Korea, & USA have pursued a proactive cargo support policy that stipulate only national flag vessels to carry cargoes.
