

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:1973

ANSWERED ON:05.05.2016

Cabotage Restrictions

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Will the Minister of SHIPPING be pleased to state:

- (a) whether the Government proposes to relax the cabotage restrictions and decrease the dependency on neighbouring ports particularly Colombo and Singapore ports for trans-shipment and if so, the details thereof;
- (b) whether the Government has allowed the coastal trade for foreign vessels by relaxing the cabotage restrictions for ports and if so, the details and the objectives thereof;
- (c) whether the said measures are likely to reduce the dependency on neighbouring hub ports and if so, the details thereof; and
- (d) the steps taken/being taken by the Government to protect the national shipping industry?

Answer

ANSWER

MINISTER OF STATE IN THE MINISTRY OF SHIPPING

(SHRI PON RADHAKRISHNAN)

(a)to(c): Yes Madam. The Government has relaxed cabotage for all ports which tranship at least 50% of the EXIM and empty container handled w.e.f 7th March, 2016. The cabotage has been relaxed with the objective to reduce the dependency on neighbouring hub ports.

(d) To encourage coastal shipping through domestic operators, it is stipulated in section 407 of Merchant Shipping Act, 1958 that a foreign ship can engage in coasting trade in India only after obtaining a licence from the Directorate General of Shipping. The grant of such licences is governed by guidelines which confer the first right of refusal to Indian ships or ships chartered by a citizen of India.
