

LOK SABHA DEBATES

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LOK SABHA

Thursday, March 12, 1981/Phalgun
21, 1902 (Saka)

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Number of Ships to be purchased and manufactured

*331. SHRI M. V. CHANDRA-
SHEKARA MURTHY :

SHRI B. V. DESAI :

Will the Minister of SHIPPING
AND TRANSPORT be pleased to
lay a statement showing :

(a) whether during the sixth plan
period the ships required will not be
manufactured in India and it was
necessary to purchase them from ab-
road ;

(b) if so, whether Government
has approached foreign countries
for purchasing the ships ;

(c) if so, how many ships will be
purchased ; and

(d) how many will be manufac-
tured in India ?

THE MINISTER OF SHIPP-
ING AND TRANSPORT (SHRI
VEERENDRA PATIL) : (a) Dur-
ing the Sixth Plan period part of the

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total requirement of Shipping tonnage
will be met through indigenous
manufacture. The balance may have
to be acquired from abroad.

(b) It is primarily the shipping
companies who finalise commercially
the ship purchases and then approach
Government for sanction.

(c) and (d). Sixth Five Year
Plan envisages a net addition of 2.5
million GRT of Shipping tonnage.
Out of this, 0.7 million GRT is likely
to be manufactured in the Indian
Shipyards. The balance may have
to be acquired from abroad.

SHRI M. V. CHANDRA-
SHEKARA MURTHY: The Minister
has replied that the Sixth Five Year
Plan envisages an additional net
value of 2.5 million GRT of shipping
tonnage. Out of this only 0.7
million GRT is likely to be manufac-
tured indigenously. The rest is
likely to be acquired from abroad.
What are the names of the countries
our Government has approached in
this regard ?

SHRI VEERENDRA PATIL :
It is not the question of Government
approaching. As I have already
made it clear, the shipping companies
approach not only Indian shipyards
but foreign shipyards also. Whatever
the capacity of the Indian tonnage is,
to that extent they will acquire ships
from the Indian shipyards. If they
want to acquire more ships according
to the programme that has been
under consideration, they have to
approach foreign ships. They can
also take second-hand ships in the
international market. It depends
upon the commercial decision of the
shipping companies.

SHRI M. V. CHANDRASHEKARA MURTHY : May I know whether our hon. Prime Minister and the Shipping and Transport Minister will be visiting Japan shortly to negotiate a deal with the Japanese Government in regard to purchase of ships on deferred payments; if so, details thereof.

SHRI VEERENDRA PATIL : About the hon. Prime Minister I do not know. But I have got a programme to visit Japan and South Korea where I will take opportunity to discuss with the shipyards of those countries whether they are prepared to supply ships to our country and give yen credit. Because much depends on the availability of credit which they are going to give to our country. After having a discussion I will come back, process it and take a decision.

SHRI B. V. DESAI : Since 1977 the question of giving package incentives to the Indian shippers has been lingering on. In 1977 a sub-committee was appointed. Later on another sub-committee was appointed. These committees suggested 33 and 37 per cent subsidies to be given to the shipyards. But there was a controversy among the three Ministries—Shipping Ministry, Finance Ministry and the Defence Ministry. One Ministry wanted something in that

MR. SPEAKER : I want some question.

SHRI B.V. DESAI : It is necessary to give a little briefing to the hon. Minister.

MR. SPEAKER : Supplementary does not mean supplementary information.

SHRI B. V. DESAI : Actually the Defence Ministry wanted only 5 per cent of the subsidy to be given whereas the Shipping Ministry suggested 25 per cent. In view of this

controversy, the indigenous manufacturing capacity has been hampered. Therefore, this big gap in the Sixth Five Year Plan has remained and now we have to go in for the purchase of foreign ships. Because of the controversy, the indigenous shipyards could not cope up with the demand of the ship-owners. Consequently, the import of ships has become inevitable.

MR. SPEAKER : Please help me. Otherwise, I will have to cut it short.

SHRI B. V. DESAI : The hon. Minister has announced a new policy.

MR. SPEAKER : You can ask only one supplementary.

SHRI B. V. DESAI : This is only one supplementary.

MR. SPEAKER : No.

SHRI B. V. DESAI : May I know whether there will be a comprehensive shipping policy in this country, taking all these things into consideration ?

SHRI VEERENDRA PATIL : While referring to the pricing policy, the hon. Member said there was some controversy between our Ministry and the Finance Ministry. I would like to make it very clear on this occasion that as no time was there any controversy between our Ministry and the Finance Ministry. So far as the pricing policy is concerned, we have taken a decision. According to that pricing formula, upto 20 per cent the Government of India will pay, upto 10 per cent the ship-owners will pay and upto 7½ per cent escalation would have to be paid by the ship owners. This has been finalised and we have already taken a decision.

So far as the capacity of the shipyards is concerned, I agree with the hon. Member that the existing capaci-

city of the shipyards is limited. We have four shipyards, out of which two, namely, the Cochin Shipyard and the Hindustan Shipyard are under our Ministry, while the Mazagaon Docks and the Garden Reach Workshop are under the Defence Ministry. We have manufacturing capacity, but that is not adequate.

Indian shipyards have got sufficient orders upto 1986-87. Therefore, they are not starving for want of orders.

SHRI INDRAJIT GUPTA :
I understood the Minister to say that the private ship owners, who want to acquire ships, negotiate directly with foreign shipyards and that the Government of India does not come into the picture. I want to know whether the prices, which are settled between the shipowners and the foreign shipyards, are subjected to any kind of scrutiny and verification by the Government. I am asking this question because large sums of money are paid out of the Shipping Development Fund to the private ship owners. Therefore, the prices are very important. What is the total amount of money which has been given from the Shipping Development Fund to the private ship owners for the acquisition of ships from abroad during the Fifth Plan period ?

SHRI VEERENDRA PATIL :
So far as pricing a ship is concerned, as the hon. Member said, the private ship owners negotiate with the foreign ship owners or shipyards and get second-hand ships. We have a set procedure for evaluation of ships. There are internationally reputed evaluators, who issue certificates about evaluation. After getting that certificate and processing it, the DG, Shipping, will make recommendations to the SDFC, which will consider these recommendations and then take a decision as to the funds that are going to be provided for the acquisition of ships.

MR. SPEAKER : Are you referring to the past ?

SHRI VEERENDRA PATIL :
The Sixth Plan.

SHRI INDRAJIT GUPTA :
How much was paid out of the Shipping Development Fund during the Fifth Plan period ?

MR. SPEAKER : Mr. Gupta is interested in the past, not the present.

SHRI VEERENDRA PATIL :
If the hon. Member wants to know about the loans advanced to the shipping companies during the Fifth Plan, let him put a separate question. I will furnish the information.

PROF. MADHU DANDAVATE : Since for the movement of certain commodities shipping and railways have a closed circuit movement, we cannot leave the entire matter of purchase of ships and deciding the requirement of ships except for freight purposes only to the private companies.

In view of this necessity, the Government is also deciding the required quantum of shipping that is to be made available. Will the Government take the initiative in deciding how many ships will be required how many are to be purchased ?

SHRI VEERENDRA PATIL :
I have already said what is our programme for the Sixth Five-Year Plan. Our programme for the Sixth Five Year Plan is to acquire an additional tonnage of 2.5 million tonnes, and I want to make it very clear that out of 2.5 million tonnes, majority of the tonnage would be acquired by our public sector companies viz, the Shipping Corporation of India and the Mughal Lines Limited. I have yet to decide what percentage of this tonnage is to be earmarked for the private sector. But so far as the private sector is concerned, we will not allow the private sector to have a dominant role in this.

SHRI XAVIER ARAKAL :
Sir, I am extremely happy to hear what the hon. Minister has said just now. As far as the national transport policy is concerned, we have to coordinate between different modes of transportation. Also the Minister has stated just now that the private agencies will not be allowed to enter into this line on a large scale. My question is this. The state Governments are entering into this business of shipping. The Kerala Government as well as the Tamil Nadu Government...

(Interruptions)

Shipping is the cheapest mode of transportation. There were certain allegations of scandal against the Tamil Nadu Government. What I would like to ask is : What is the attitude of the Central Government with regard to the State Government Shipping Corporations in purchasing the ships in the context of what Mr. Indrajit Gupta has said ?

SHRI VEERENDRA PATIL
Sir so far as the policy for the State Governments is concerned, we want to encourage public sector and if the State sector wants to enter into this field, we cannot discourage because there are some States which have entered into this line. I think Karnataka has got some ships and I do not know whether Tamil Nadu has already acquired some ships, Kerala has also got some ships. When private parties can enter this line, how can we prevent the State Governments from entering into this line ?

MR. SPEAKER : Now, Question No. 332. Mr. Sidnal.

SHRI MADHAVRAO SCINDIA :
Sir I have got a suggestion. You can club question Nos. 339 and 346 with this.

MR. SPEAKER : Mr. Minister; what is your idea ? Would you like to treat them differently or as one ?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI P. SHIV SHANKAR) :
What I was trying to say is... (Interruptions) would you allow me to say something ?

I thought that questions 339 and 346 could go together. But so far as question No. 332 is concerned it concerns only with the Interpreters etc. Therefore, I was thinking of taking Question No. 332 separately.

MR. SPEAKER : You take it separately. You take those two together. Now, question No. 332 Mr. Sidnal:

Staff for Non-Aligned Conference

*332. SHRI +S.B. SIDNAL :

SHRI HIRALAL R. PARMAR :

Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) the number of interpreters, translators, typists and office staff who came from abroad for running the non-aligned conference recently held in Delhi ;

(b) the amount spent for this purpose ;

(c) the reasons for not providing an opportunity to the Indian staff who had rendered satisfactory service earlier for such conferences ;

(d) whether any such arrangements have been made for future ; and

(e) if so, the details thereof ?