

LOK SABHA DEBATES

LOK SABHA

Thursday, July 25, 1985/Sravana 3,
1907 (Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[*English*]

News Item Captioned 'New ONGC
Policy Hits Shipyards'

*41. SHRI LAKSHMAN MALLICK :
Will the Minister of SHIPPING AND
TRANSPORT be please to state :

(a) whether Government's attention has been drawn to the news item captioned "New ONGC Policy hits "shipyard" appearing in Business Standard dated the 26 June, 1985 wherein it has been reported that Oil and Natural Gas Commission revising its earlier policy of acquiring indigenous offshore supply vessels has put some of the Indian shipyards in trouble;

(b) if so, whether these shipyards which had formed a consortium specifically to execute Oil and Natural Gas Commission orders for OSVs are at a loss to understand what they will do with additional capacity and expertise if no repeat orders are given to them by the Oil and Natural Gas Commission; and

(c) if so, details of the position in this regard ?

THE MINISTER OF STATE OF THE
MINISTRY OF SHIPPING AND TRANS-
PORT : (a) to (c) There is no revision in
the Policy of ONGC for acquiring indigenous
Offshore Supply Vessels from Indian
shipyards. ONGC have already placed orders
for manufacture of OSVs on Indian ship-
yards. However, their future requirement

is planned to be met by charter-hire. The capacity of Indian shipyards can be utilised by making the Indian companies, who propose to charter-hire OSVs to ONGC, place orders on Indian shipyards.

SHRI LAKSHMAN MALLICK :
During the previous years, ONGC has given orders for OSVs to these Indian Shipyards, and had also given an assurance to place further orders for such vessels. But in the meantime, the ONGC has imported 6 foreign vessels. May I know whether some Indian Shipyards, particularly those in the eastern region, are going to face trouble due to ONGC not placing further orders with them. If so, what steps are the Government going to make to help the Indian Shipyards which are likely to be in trouble ?

SHRI Z. R. ANSARI : As I have already stated in my answer, ONGC have not changed their policy of acquiring OSVs and OPSSVs from the indigenous Shipyard. The consortium of these four Shipyards came into existence in 1983 and before that there were demands of the ONGC for OSVs and OPSSVs. Quite a sizeable orders were placed after the consortium was formed and the technology was transferred from Norweign Shipyard for indigenous manufacture of these OSVs and OPSSVs. But because of the heavy demand of such vessels, some import was allowed and some purchases were made from the foreign Shipyards also. The present position is it is true that the ONGC are not placing further orders for the purchase of OSVs and OPSSVs and they have taken a decision that because of the financial constraints, they will go for charter-hire.

PROF. MADHU DANDAVATE : What is meant by OSVs and OPSSVs ?

SHRI Z. R. ANSARI : Offshore supply vessels and Offshore Platform Support-cum Supply Vessels.

[*Translation*]

MR. SPEAKER : Why do you do such a wrong thing some times, Professor ?

[English]

SHRI Z. R. ANSARI : That is the position. Because of the policy, the demand for OSVs and OPSSVs is there and the private companies and public sector undertakings may place orders to the indigenous shipyards, make purchase from them and put them at the disposal of the ONGC in the scheme of chartering.

SHRI LAKSHMAN MALLICK : I would like to know whether the Government have made any study on the problem of the Indian Shipyards. If so, what are the main reasons and what are the main problems of the Shipyards at present and what steps are the Government taking to remove these difficulties and problems of the Indian Shipyards ?

SHRI Z. R. ANSARI : Naturally, the problems are that of lack of orders. As far as these OSVs and OPSSVs are concerned, because of a world-wide recession there is a very big and cut-throat competition among the shipyards in the world and the foreign shipyards are just selling their ships at a much lower price. Therefore, the Government have taken a decision that over the international price which will be assessed by the valuers, 30 per cent will be given to the shipyards and just to give support and just to bring down the prices of the shipyards, out of this 30 per cent, 15 per cent will be covered by the ONGC and 15 per cent by the Petroleum Ministry.

SHRI PRIYA RANJAN DAS MUNSI : Sir, the ONGC in India for the last few years is functioning like a parallel government. They hardly care for the Minister and they hardly care for the Government decisions.

MR. SPEAKER : Do they agree with it ?

SHRI PRIYA RANJAN DAS MUNSI : I am putting my question. I request you to allow a discussion at the end of the Session on the ONGC. Technicians in the average age group of 30-40 years are building up the resources for the country. But the people at the top are behaving in such a manner just to get imports and other orders from abroad and thereby siphoning the money of the country year after year and putting the country's interests at stake.

My question is—it is not connected with petroleum.

MR. SPEAKER : Mr. Munsi, so far you have referred to the Petroleum Ministry. But I would like you to put something which concerns this Ministry.

SHRI PRIYA RANJAN DAS MUNSI : I am putting that question.

MR. SPEAKER : Why do you put that question ?

SHRI PRIYA RANJAN DAS MUNSI : I am coming to that.

MR. SPEAKER : Why this circuitous manner ?

SHRI PRIYA RANJAN DAS MUNSI : It is inter-connected and I have already explained it. The shipyards and the docks for off-shore drilling lie with the Transport Minister but the other things lie with the Petroleum Minister. I am helpless. My question is this. I want to know whether it is a fact that on turnkey project basis, Mazagaon Dock Ltd. was authorised as a licensee of the ONGC to complete the project with the supportive indigenous off-shore drilling process in the shipyards and after having done so, the Mazagaon Dock is pressurised by the ONGC to ignore all these proposals that they have executed earlier. And if so, is the Ministry going to make any inquiry into it ? That is my question.

SHRI Z. R. ANSARI : The supplementary does not arise out of this question. This question is basically regarding in the change in the policy of the ONGC, as far as the purchases of OSVs and OPSSVs from the indigenous shipyards is concerned; it does not pertain to the other sectors.

SHRI PRIYA RANJAN DAS MUNSI : My question was this, viz that the proposal of the Mazagaon Docks on turnkey basis to maintain indigenous projects in this matter, and to maintain the shipyard for off-shore drilling, was authorised by ONGC by licensing. Later on, i. e. now, that project is being ignored. It is a fact or not ? Do you think that it is not connected with this ? How is it so ? You may say that you do not know it.

SHRI Z. R. ANSARI : My difficulty is that the question pertains either to the Ministry of Petroleum or to the Ministry of Defence, because the Mazagaon Dock is under the Ministry of Defence. How can I be expected to answer a question pertaining to other Ministries ?

SHRI THAMPAN THOMAS : I would like to bring in a very important aspect related to this question. The Cochin Shipyard is now going to face a complete lock-out or closure, because of the present policy adopted by the Government. This is one of the major Shipyard in India, where 75,000 CWT. ships are to be built; and six orders were there for bulk carriers from shipping Corporation. That has now been cancelled. Subsequently, the Cochin Shipyard thought that they will get this ONGC business.

I am associated with them, as a trade union leader. I presented a memorandum as early as in 1983, to get these orders. Now this Government has given orders to Mitsui Company in Japan for \$42 crores. By this action, a foreign agency is coming into the country, and it will take away the know-how of this country; and the shipping industry will be put to various difficulties. It cannot come up. At present, there are reports about all these things in our papers, and our part of the country, which say that the Cochin Shipyard is to be closed. Crores of rupees have been invested, and they have no work. Workers are remaining idle. I would like to ask the Minister whether Government will re-think about this matter, and give this work to our shipyards, either to the Cochin Shipyard or other shipyards, wherever it is possible.

I would also like to point out that for shipmaking, Government is giving 80% as loan and subsidy. When 80% is given as loan and subsidy to private individuals, and it is on Government money that ships are brought in, where these oil tankers and carriers are brought to ONGC, a Government concern, our shipyards should be promoted. Will Government consider this aspect ? This is my question.

SHRI Z. R. ANSARI : As far as the main question is concerned, it is about indigenous capacity. The point is that when indigenous capacity is available, we must utilize it; and I do agree with the hon.

Member on this count. As far as the issue of Cochin Shipyard is concerned, it is not the matter at issue now. It is only those four shipyards.....

SHRI THAMPAN THOMAS : It is, Sir. We have, i.e. the Cochin Shipyard has quoted Rs. 200 crores; and it was negotiated..

SHRI Z. R. ANSARI : I can answer that question, provided a separate question is put. Presently, we are concerned only with ONGC's Policy, and also with the four shipyards which had formed a consortium for building OSVs and OPSSVs.

PROF. MADHU DANDAVATE : The reply is not satisfactory.

SHRIMATI GEETA MUKHERJEE : It is not satisfactory. (*Interruptions*).

SHRI THAMPAN THOMAS : It is not satisfactory. I want Government to think in terms of changing the Policy of giving it to a foreign agency. They have sabotaged our shipping industry by coming to India; and we will have no way to get out of it once and for all. So, I want this Government to re-think on it, because when a foreign company comes in, our technology will not improve. That is what I am complaining. We have the infra-structure. That infra-structure is sabotaged because of this policy.

PROF. MADHU DANDAVATE : The question is simple, viz. whether he will re-think. Is that re-thinking not permissible ? (*Interruptions*).

SHRI Z. R. ANSARI : I have not said that re thinking is not permissible. (*Interruptions*).

SHRIMATI GEETA MUKHERJEE : They are in a soup because of this... (*Interruptions*)

MR. SPEAKER : Mr. Minister, You should answer this question. I think it is quite pertinent on their behalf to have put the question—whether the policy can be reviewed or not. There is nothing so binding that we should be rigid on it.

SHRI Z. R. ANSARI : As far as the policy of the Ministry of Shipping and

Transport is concerned, it has a firm policy that if indigenous capacity is available, then there is no question of allowing it.

SHRIMATI GEETA MUKHERJEE : It is available, but it is not being utilized.

MR. SPEAKER : That can be a point of view otherwise also.

SHRI Z. R. ANSARI : I do not want to enter into a controversy. The policy of the Shipping & Transport Ministry is quite firm on this issue that where the indigenous capacity is available we should utilize that capacity as far as possible. Suppose ONGC is requiring certain specialised ships immediately and they cannot be acquired from the indigenous source, then, of course, we have no option but to permit them to do it.

(Interruptions)

MR. SPEAKER : You can just have a meeting with them.

(Interruptions)

SHRI THAMPAN THOMAS : How are they going to re-employ the workers ?

MR. SPEAKER : You put another question and I will get an answer for that. In the meantime, they can have a review of this thing. If they are giving some subsidy and 80 per cent of the money is being provided, then it can be thought of otherwise also.

SHRI Z. R. ANSARI : As a matter of fact, while giving permission for the purchase of ships from abroad, this angle is always studied that is the capacity of the indigenous shipyards.

Transport Fund for Development of Transport System of Delhi and Other Cities

*42. **SHRI BASUDEB ACHARIA† :**

SHRI B. N. REDDY : Will the Minister of SHIPPING AND TRANSPORT be pleased to state :

(a) whether Government propose to create a transport fund with contribution from the Ministries of Railways, Works and Housing and Shipping and Transport apart from local bodies mainly for the development of transport system of Delhi;

(b) if so, the details thereof;

(c) whether Government have any plan to create similar funds for the development of transport in other cities also; and

(d) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF SHIPPING AND TRANSPORT (SHRI Z. R. ANSARI) : (a) and (b) The question of creation of a fund, by pooling of resources with contributions from Ministries of Railways, Works & Housing, Shipping and Transport and Local Bodies, for the development of Transport System in Delhi, was discussed in an inter-departmental meeting on 7th June, 1985. The general consensus was that each concerned Agency will explore the proposal and intimate the position to the Ministry of Works and Housing, who are to operate the Fund.

(c) No decision has been taken so far in this regard.

(d) Does not arise.

SHRI BASUDEB ACHARIA : Really it is a good proposal but to solve the transport problem of the metropolitan cities of our country, what is really necessary is the need for effective total transportation system, and this is only possible if there is a coordinating agency capable of planning, implementing and administering the efficient transport system which is lacking in our country. This was felt by various committees constituted by the Government previously including the National Transport Policy Committee. In view of this, will the government consider a proposal for setting up an integrated coordinating agency for planning, implementing and administering the total transport system—railway, surface and water transport system ?

SHRI Z. R. ANSARI : The hon. member has rightly pointed out that many committees recommended for such an authority which should take a total view on this transport policy. The National Transport Policy Committee also recommended for some such authority, a single transport authority to be set up which should take as a part of regional development, an overall charge of all modes of transport. The