

**GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

UNSTARRED QUESTION NO:2032
ANSWERED ON:06.12.2005
ACQUISITION OF CRUDE CARRIERS
Adhalrao Patil Shri Shivaji

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the Shipping Corporation of India is dependent upon foreign flag vessels for carrying crude;
- (b) if so, the facts thereof;
- (c) whether there is any proposal to acquire crude carriers to save the foreign exchange;
- (d) if so, the details thereof;
- (e) the estimated cost of these carriers; and
- (f) the time by which these carriers are likely to be acquired?

Answer

MINISTER OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI T.R. BAALU)

- (a): No, Sir. However, at times foreign flag vessels are in chartered.
- (b): Shipping Corporation of India (SCI) is holding Contract of Affreightment (COA) with BPCL, HPCL and IOC for lifting of crude from West Asia Gulf/Persian Gulf. SCI nominates its own tankers for lifting crude oil parcels, but some times, if SCI's vessels are not in a position to meet the lay days, then SCI incharter Indian/foreign flag vessels to meet the commitments under the COA. As per Government guidelines first preference is given to Indian flag vessel, if Indian tonnage is not available then foreign flag vessels are in chartered for carrying crude.
- (c): Yes, Sir.
- (d): The SCI has inducted 2 Nos. Very Large Crude Carriers (VLCC) in its fleet in the current year during January, 2005 and August, 2005. SCI has also placed order for 2 VLCCs with Daewoo Shipbuilding and Marine Engineering Co. Ltd, Korea in October, 2005.
- (e) & (f): The cost of the VLCCs ordered in October, 2005 is US \$ 129.10 million per vessel. The first VLCC is expected to be delivered to SCI during 2008 and the second one by 2009.