

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

UNSTARRED QUESTION NO:4003
ANSWERED ON:20.12.2005
EXTENSION IN SHIP BUILDING SUBSIDY SCHEME
Thakkar Smt. Jayaben B.

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

- (a) whether the Government plans to extend the Ship Building Subsidy Scheme by another five years to 2012; and
- (b) if so, the factors responsible for extension, alongwith the details of the scheme?

Answer

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

(a): Yes, Sir. Government has initiated steps for extension and amendment of the ShipbuildingSubsidy scheme. A Committee has been constituted by the Government to formulate a proposal for the same. However, the period of extension has not yet been decided.

(b): Shipbuilding industry is supported globally by direct and indirect subsidies to ensure its competitiveness. The profit margin in the cyclical shipbuilding industry is also very thin. In addition, the industry offers tremendous employment potential for the country. Therefore, subsidy support is likely to benefit not only the industry but also the entire national economy. Details of the amended scheme are being worked out.