

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

UNSTARRED QUESTION NO:3005
ANSWERED ON:13.12.2006
REMOVING HURDLES OF INDIAN SHIPPING INDUSTRY
Gadhavi Shri Pushpdan Shambhudan

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

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(a) whether the Indian Shipping Industry has faced a decline for want of Government support in the form of interest rate subsidies and cargo support as well as little access to bank financing; and

(b) if so, the steps taken or being taken by the Government to remove these hurdles of Indian Shipping Industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI T.R. BAALU)

(a) & (b): No, Sir. The Government has been supporting Indian shipping industry inter-alia:

(1) By way of cargo support for Indian flag vessels for Government and Public Sector Undertakings controlled import cargo;

(2) Government policy to finalize all imports on Free on Board (FOB) basis is being followed;

(3) As per the policy of chartering, first right of refusal is given to suitable Indian vessel without giving any price preference;

(4) Movement of cargo and passenger between one port to another on the coast of India is reserved for Indian flag vessels;

(5) The Government has also introduced tonnage tax for shipping industry in lieu of Corporate tax from 2004-05 which has benefited the industry.