

(e) Private sector ports managed by multinational companies in various States fall under the purview of the respective State Governments. State Governments have been advised to ensure that all Security norms are adhered to by these private sector ports.

Soft loan package for shipping industry

2725. SHRI B.K. HARIPRASAD: Will the Minister of SHIPPING be pleased to state:

(a) whether prompted by shrinking cargo volumes and freight trades and paucity of external commercial borrowings, Indian shipping industries have sought a soft loan package from Governments;

(b) whether the share of Indian carriers in the country's trade cargo has sharply declined from 31.5 percent in 1999-2000 to 13.7 percent in 2005-06;

(c) whether despite introduction of tonnage tax in 2004 Indian companies are subject to other taxes unlike foreign companies that operate under a tax free or low tax regime; and

(d) if so, whether Government would also attempt improving port infrastructure and connectivity as a prerequisite for the revival of shipping industry?

THE MINISTER OF SHIPPING (SHRI G.K. VASAN): (a) Shipping is highly capital intensive and depends largely on the debt market to finance its acquisitions. But the current meltdown in the international financial markets has placed the Indian shipping industry in a situation where assets are available to be acquired at reasonable prices, but the availability of money on loan is almost dried up through the normal international commercial bank channels; if any credit is available, it is at a prohibitive cost and stringent terms. On the request of Ministry of Shipping and at the behest of Finance Ministry, Indian Banks' Association had constituted a Working Group to examine the proposed extension of credit facilities to Shipping companies in India for purchase of ships. Indian Banks' Association has recently advised that they have no role to play in the matter and the Shipping Company should take up the matter with the individual banks.

(b) Yes, Sir. The share of Indian earners in carriage of country's overseas seaborne trade which was 31.50% during 1999-2000 declined gradually to a level of 13.7% in 2005-06.

(c) It is fact that despite introduction of Tonnage Tax in 2004-05, Indian Shipping Industry is liable to a variety of taxes and there are still about 12 direct and indirect taxes.

(d) Ministry of Shipping has formulated a National Maritime Development Programme (NMDP). Under the programme, specific projects have been identified to be taken up for implementation upto 2011-12. In the Major Ports, 276 projects covering the entire gamut of activities, namely construction/upgradation of berths, deepening of channels, rail-road connectivity projects, equipment upgradation/modernization schemes and other related schemes for creation of back-up facilities have been identified for inclusion in the programme.