

- (d) by when would be road be restored fully for normal traffic?

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI JITIN PRASADA) : (a) Yes, Sir. NH-87E between Kathgodam and Almora had been severely damaged in 2010. Since the quantum of restoration work was very huge, the same is in progress and efforts are made for early completion of the work.

(b) The stretch of this NH at Jaurasi (Nainital) had been damaged and efforts are made to carry out the restoration work and at present there is no landslides/debris on the road and the traffic is through.

(c) Government has, so far not decided far an alternate alignment at Jaurasi. It will be decided biased on the need, availability of fund and inter se priority of work.

(d) Road is open for normal traffic. Restoration work is scheduled for completion by 31st March, 2012.

Increase of Freight Rates on Indian Subcontinent

1810. SHRI TARIQ ANWAR : Will the Minister of SHIPPING be pleased to state :

- (a) whether it is a fact that container shipping lines are going to increase freight rates on Indian subcontinent;
- (b) if so, the details thereof;
- (c) the reasons therefor; and
- (d) its impact on our country?

THE MINISTER OF SHIPPING (SHRI G.K. VASAN) : (a) and (b) Yes, Sir. The quantum of increase of freight rates would depend upon market conditions.

(c) Container shipping lines are planning to increase the freight rates which was stagnant for a long time in spite of increase in fuel costs and reduced earning due to decrease in volume, to cover the operating cost including continuous increase of cost of bunker or fuel costs.

(d) The cost of products/merchandise shipped is expected to increase due to increase in the freight rates.

Valarpadam Container Terminal

1811. DR. T.N. SEEMA : Will the Minister of SHIPPING be pleased to state :

- (a) the volume of container traffic and turnover achieved by the Vallarpadam container terminal, Kochi;

(b) whether the performance is better than the projection made for the port and that achieved by the Cochin Port in previous years;

(c) if not, the reasons therefor;

(d) the steps that are proposed to be taken by Government to address the issue and to increase the cargo trade through the Vallarpadam Port; and

(e) whether Government intend to amend the Cabotage Laws in favour of foreign ships?

THE MINISTER OF SHIPPING (SHRI G.K. VASAN) : (a) The International Container Trans-shipment Terminal (ICTT) Vallarpadam was dedicated to the Nation by the Prime Minister on 11th February, 2011 and the vessel operations commenced on 18.02.2011. As on 29.02.2012, 350764 TEUs of containers were handled at ICTT since commissioning.

(b) The performance of ICTT is below the projected throughout of 7.75 lakh TEUs in 2011. The licensee had handled 272142 TEUs in April-February 2010-11 at the Rajiv Gandhi Container Terminal at Willingdon Island till migrating to ICTT Vallarpadam in February, 2011. In the year 2009-10, the container throughout was 289817 TEUs.

(c) The ICTT has been attempting to perform at the projected level due to the following reasons :

The ICTT, being the first trans-shipment terminal of India was created to attract trans-shipment of Indian EXIM cargo currently taking place the Internal Trans-shipment Ports in the region, mainly Colombo. Reliable and adequate feeder capacity is required for trans-shipment to happen successfully. Currently, the Indian fleet consisting of only 13 container vessels with a combined capacity of 12156 TUEs is inadequate to ensure efficient feedering for the trans-shipment terminal. This has resulted in low level of container handling at ICTT. Further, the Indian fleet, currently charging higher freight compared to the international carriers has reduced the competitiveness of ICTT.

There is also an issue relating to the jurisdictional control over the ICTT and related procedures within the ICTT, between the customs and SEZ Authorities, which has affected the clearance of trans-shipment cargoes. The area of ICTT is declared as an SEZ to ensure fiscal concessions and procedural ease at par with competing International Terminals. This being the first located in an SEZ, mutually agreed procedures have not been firmed up by Customs and SEZ Authorities.

(d) Efforts are on to firm up mutually agreed procedures between Customs and SEZ authorities to smoothen clearance of cargo.

(e) No, Sir. Cabotage laws are not being amended. However, these are strong interest groups in favour of and against cabotage laws.