

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI RADHAKRISHANAN P.): (a) and (b) Yes, Sir. The various shipping laws are amended from time to time, in the light of experience gained in their implementations and to give effect to the provisions of various International Conventions to which India becomes a Party.

(c) These changes to shipping laws, which is an ongoing process, as and when made, further fosters the development of Indian mercantile marine sector and ensures its efficient maintenance in a manner best suited to serve the national interests.

Free Right of Way through Mumbai Port Trust areas

1685. SHRI SANJAY RAUT: Will the Minister of SHIPPING be pleased to state:

(a) whether the Maharashtra Government has requested for grant of free Right of Way (RoW) through Mumbai Port Trust areas for navigation channel of State Port Rewas-Aware, district Raigad; and

(b) if so, the details thereof and Government's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI RADHAKRISHANAN P.): (a) and (b) Yes, Sir. The matter is under discussion between Mumbai Port, Rewas Port Ltd. and Maharashtra Maritime Board.

Boost to waterway tourism

1686. SHRI A.K. SELVARAJ: Will the Minister of SHIPPING be pleased to state:

(a) whether it is a fact that Government is considering to introduce sea-planes, water buses, hovercrafts and floating hotels to connect coastal towns and boost waterway tourism;

(b) if so, the details thereof;

(c) whether it is also a fact that Government plans to turn all water bodies, dams, lakes, etc. to water ports like airports; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI RADHAKRISHANAN P.): (a) to (d) Ministry of Shipping has taken the initiative to explore seaplane connectivity from various ports. Mumbai Port has carried out a preliminary study for operation of sea plane at Girgaon-Chowpatty. Meanwhile, Mumbai

Port Trust has already given 'No Objection' to Maharashtra Tourism Development Corporation for a period of one year to carry out sea-plane operation. Mumbai Port Trust has also carried out a preliminary study for construction of a Floating Hotel.

The seaplane connectivity and its expansion between various water bodies in the country would depend upon commercial viability of such operations.

Changes in water transport and shipping

1687. SHRI A.K. SELVARAJ: Will the Minister of SHIPPING be pleased to state:

(a) whether it is a fact that Government is considering to accord highest priority for the shipping industry;

(b) whether it is also a fact that Government proposes to make revolutionary changes in water transport and shipping during the coming two years; and

(c) if so, the details thereof;

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI RADHAKRISHANAN P.): (a) to (c) Yes, Sir. Presently shipping industry carries 95% of India's total merchandize trade by volume and 70% in terms of value. The current proportion of merchandize trade in GDP of India is only 42%, whereas, for some of the developed countries such as Germany & European Union, it is around 75% and 70% respectively. Therefore India has a great potential to increase its share of merchandize trade in GDP.

India has a total sea borne traffic of only 950 million tonnes with a total coast line of around 7500 KM compared to China whose sea borne traffic is 9 billion tonnes with a coast line of 15,000 Kms. Therefore India has significant potential of developing its maritime capabilities.

In order to make the shipping industry more attractive and competitive, Indian shipping industry has been provided cargo support. This is presently being done through Right of First Refusal policy of FOB import for government owned/controlled cargoes. In the Union Budget 2014-2015, Government has increased the abatement of service tax from 50% to 60%. With this change, only 40% of the value of the service for transportation of goods by vessels would be subject to levy of service tax. Government has taken a policy decision to allow shipping enterprises based in India to acquire ships abroad and also flag them in the country of their convenience. Recently, Government has exempted Customs and Excise Duty leviable on bunker fuels used in Indian flag vessels for transportation of EXIM and empty containers.